CITY OF MARSHALL
Housing and Redevelopment Authority Meeting
A g e n d a
Tuesday, November 25, 2025 at 6:30 PM
344 W. Main St., City Hall

CALL TO ORDER

APPROVAL OF MINUTES

1. Consider Approval of the Minutes

NEW BUSINESS

2. Consider Approval of a Quit Claim Deed to Erie Road, LLLP

3. Resolution Approving Amended Spending Plan

ADJOURN

Disclaimer: These agendas have been prepared to provide information regarding an upcoming meeting of the Common Council of the City of Marshall. This document does not claim to be complete and is subject to change.

CITY OF MARSHALL
AGENDA ITEM REPORT

Presenter:	Chair
Meeting Date:	Tuesday, November 25, 2025
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider Approval of the Minutes
Background Information:	Enclosed are the minutes from the previous meeting.
Fiscal Impact:	
Alternative/ Variations:	Staff encourages Members to provide any suggested corrections to the minutes in writing to City Clerk, Steven Anderson, prior to the meeting.
Recommendations:	That the minutes from the previous meeting be approved as filed with each member and that the reading of the same be waived.

CITY OF MARSHALL
Housing and Redevelopment Authority Meeting
MINUTES
Tuesday, March 12, 2024

The special meeting of the Housing and Redevelopment Authority was held on March 12, 2024, in the Council Chambers at City Hall, 344 West Main Street. The meeting was called to order at 5:15 P.M. by Chairman Robert Byrnes. In addition to Byrnes the following members were present: See Moua-Leske, Amanda Schroeder, John Alcorn, James Lozinski and Steve Meister. Absent: Craig Schafer. Staff present included: Sharon Hanson, Executive Director; E.J. Moberg, Director of Administrative Services; Jason Anderson, Director of Public Works/City Engineer; Lauren Deutz, Economic Development Director and Steven Anderson, City Clerk.

Consider Approval of the Minutes

Motion made by Board Member Alcorn, Seconded by Board Member Schroeder to approve the minutes from December 22, 2023. All voted in favor. The motion **Carried. 6-0**

Conveyance of Property from the Housing and Redevelopment Authority to the City of Marshall

Lauren Deutz began the meeting by explaining that Southwest West Central Service Cooperative had proposed the construction of a 16,000 sq ft support center with training facilities on a parcel located in the Channel Parkway Addition. The Economic Development Authority (EDA) aimed to support the project through a 5-acre land subsidy. However, the proposed parcel was currently owned by the HRA. Following the final plat, the EDA was requesting conveyance of the land to the EDA. A public hearing would be held on March 20th to complete the land transaction through the EDA. Board Member Meister asked if the transfer would cause any issues for any of the parties involved. Deutz rebutted that Kennedy & Graven had reviewed the process and felt no issues would arise.

Motion made by Board Member Meister, Seconded by Board Member Lozinski to approve Resolution 24-001 authorizing the transfer of property from the Housing and Redevelopment Authority to the Economic Development Authority. All voted in favor. The motion **Carried. 6-0**

Adjourn

At 5:19 P.M. Chairman Byrnes adjourned the meeting.

_____
Robert J. Byrnes
Chairman

ATTEST:

_____
Sharon Hanson
Executive Director

CITY OF MARSHALL
AGENDA ITEM REPORT

Presenter:	Sharon Hanson
Meeting Date:	Tuesday, November 25, 2025
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Approval of a Quit Claim Deed to Erie Road, LLLP
Background Information:	In 1992, the Housing and Redevelopment Authority for the City of Marshall sold parcel 27-384009-1, 1611 Halbur Road, to Erie Road Limited Partnership on September 1st. However, it was discovered recently that at the time of recording the Warranty Deed, Erie Road Limited Partnership had not yet filed their Certificate of Limited Partnership with the Minnesota Secretary of State until September 29, 1992. Because Erie Road Limited Partnership had not officially existed at the time of the Warranty Deed was filed the transaction was null and void. Erie Road, LLLP f/k/a Erie Road Limited Partnership has requested that the HRA approve and authorize the attached Quit Claim Deed to be signed and filed to allow for clear title of the property located at 1611 Halbur Road.
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	To authorize the conveyance of a Quit Claim Deed from The Marshall Housing and Redevelopment Authority to Erie Road, LLLP.

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED
Business Entity to Business Entity

DEED TAX DUE: **$1.65**

DATE: **November 20, 2025**

FOR VALUABLE CONSIDERATION, **The Marshall Housing and Redevelopment Authority in and for the City of Marshall, Minnesota, a body politic under the laws of Minnesota,** ("**Grantor**"), hereby conveys and quitclaims to **Erie Road, LLLP, a limited partnership under the laws of Minnesota, f/k/a Erie Road Limited Partnership, a limited partnership under the laws of Minnesota,** ("**Grantee**"), real property in **Lyon** County, Minnesota, legally described as follows:

See Exhibit "A" attached hereto and made a part hereof.

The purpose of this deed is to convey any interest the Grantor has in this property to the Grantee. The Grantor previously executed a Warranty Deed to the Grantee dated September 1, 1992 and recorded on September 10, 1992 in Book 242 of Deeds, Page 319. However, at the time of the recording of the Warranty Deed, the Grantee was not legally organized under the laws of Minnesota as the Certificate of Limited Partnership was not filed with the Minnesota Secretary of State until September 29, 1992.

The Grantee changed its name to Erie Road, LLLP as shown by the Amendment to the Certificate of Limited Partnership filed with the Minnesota Secretary of State on August 5, 2015.

Check here if all or part of the described real property is Registered (Torrens) ☐
together with all hereditaments and appurtenances belonging thereto. This deed conveys after-acquired title.

Check applicable box:
☒ The Seller certifies that the Seller does not know of any wells on the described real property.
☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: **[…]**.)
☐ I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

Grantor

The Marshall Housing and Redevelopment Authority in and for the City of Marshall, Minnesota

By: _____
Robert Byrnes
Its: **Mayor of the City of Marshall**

By: _____
Sharon Hanson
Its: **Executive Director**

Exhibit "A"

The North 200 feet of Lot Four (4), Block Three (3), Marshall Industrial Park Second Addition, Marshall, Lyon County, Minnesota.

AND

All that part of Lot Three (3), Block Three (3), Marshall Industrial Park Second Addition, Marshall, Lyon County, Minnesota, lying South of the South right of way line of County Road #33.

CITY OF MARSHALL
AGENDA ITEM REPORT

Presenter:	E.J. Moberg
Meeting Date:	Tuesday, November 25, 2025
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Resolution Approving Amended Spending Plan
Background Information:	As part of the omnibus tax bill enacted in July 2021, state statute 469.176 was amended, giving Minnesota communities temporary flexibility to use unobligated increment from existing tax increment districts to help stimulate private development that would not otherwise commence without the assistance. The deadline for using those funds was December 31, 2025. The 2021 bill stated that municipalities may provide loans, interest rate subsidies, or assistance in any form (including an equity or similar investment in a private project) to private development, as long as it consists of new construction or substantial rehabilitation of buildings and ancillary facilities AND if doing so will create or retain jobs in the State (including construction jobs). Prior to approving the use of unobligated increment for the temporary transfer authority, cities and authorities were required to develop a written spending plan that details the use of the unobligated increment and authorized the transfer(s) (if a municipality does not have an authority, it can develop the plan), approve a resolution authorizing the transfer(s), and send a copy of the spending plan to the Office of the State Auditor. The municipality then had to approve the original spending plan after holding a public hearing. This required publishing the hearing notice in a newspaper of general circulation in the municipality AND placing it on the municipality's website at least 10 days, but not more than 30 days prior to the public hearing date. In 2025, Minn. Stat. § 469.176, subd. 4n, was amended and subd. 4n(c) had language added that "Prior to December 31, 2025, the municipality may amend a written spending plan to extend the date by which transferred increment may be used, and to authorize use of interest earned on transferred increment, after holding a public hearing as required in this section. A signed and approved copy of the amended plan must be filed with the state auditor." The Minnesota Legislature enacted and the Governor signed into law Minnesota Laws 2025, 1st Special Session, Chapter 13, Article 5, Section 14 (the "Special Law"), authorizing the City to elect to spend, loan or invest transferred increment collected from the TIF Districts, including any interest or investment earnings on such transferred increment as authorized under Subd. 4n, through December 31, 2027. **How long is this option available?** The City may amend the spending plan prior to December 31, 2025, to extend the deadline for use of transferred increments from December 31, 2025, to December 31, 2027, pursuant to the City's special legislation, and also to authorize the use of any interest earned on transferred increment. The amended spending plan must be approved after holding a public hearing. An

	authority making a transfer under this authority must have provided a copy of the original spending plan approved and signed by the municipality, as well as any approved and signed amended spending plans, to the Office of the State Auditor. The temporary authority to transfer the unobligated increment expired on December 31, 2022 and the transferred increment must now be used by December 31, 2027. All transferred increments must be spent, loaned, invested, or otherwise irrevocably committed by December 31, 2027. Increment not spent, loaned, invested, or otherwise irrevocably committed by December 31, 2027, must be returned to the district. If the district has already been decertified, the increment will be treated as excess increment and distributed as provided by state statute. Notice of the public hearing was published in the official newspaper on Thursday, November 13th and on the City website on Friday, November 14th and the public hearing will be held on Tuesday, November 25th at 5:30 pm. City staff have been working with BakerTilly to assist with: • Amending the original TIF spending plan required by the legislation • Consulting with our TIF attorney, Sofia Lykke, Kutak Rock LLP, on process implementation and drafting of supporting documentation If approved, city staff will provide a copy of the amended spending plan to the Office of the State Auditor prior to December 31, 2025.
Fiscal Impact:	
Alternative/ Variations:	Do not approve the amended spending plan or the resolution and the monies would be returned at year-end to the tax increment financing fund.
Recommendations:	Approve the resolution approving the adoption of an amended spending plan.

Amended and Restated Spending Plan

for

Tax Increment Financing (Redevelopment) District No. 1-1

Tax Increment Financing (Redevelopment) District No. 1-7

Tax Increment Financing (Redevelopment) District No. 2-1

Housing and Redevelopment Authority in and for the City of Marshall, Minnesota

City of Marshall, Minnesota

Prepared by

Baker Tilly Municipal Advisors, LLC

Original Spending Plan Approval Date: December 27, 2022

Public Hearing for Amended Plan Scheduled by City Council: November 25, 2025

Amended Plan Review and Approval by HRA: November 25, 2025

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Amended and Restated Spending Plan

for

Tax Increment Financing (Redevelopment) District No. 1-1,
Tax Increment Financing (Redevelopment) District No. 1-7, and
Tax Increment Financing (Redevelopment) District No. 2-1

Introduction

The Minnesota Legislature amended the TIF law (the "Law") in 2021 to provide flexibility to cities to utilize unobligated tax increment revenues in their districts to promote construction and job creation in their communities. Increments expended under the Law do not count against any pooling limitations of the districts. The TIF law was further amended in 2025 to allow for an extension of the timeline for cities to utilize unobligated tax increment revenues as authorized in an adopted spending plan. In accordance with Minnesota Statutes, Section 469.176, subd. 4n, as amended, and Minnesota Laws 2025, 1st Special Session, Chapter 13, Article 5, Section 14 (the "Special Law"), the city of Marshall may elect to spend, loan, or invest transferred increment, including any interest or investment earnings on such transferred increment, as authorized under Minnesota Statutes, section 469.176, subdivision 4n, through December 31, 2027.

The law allows cities, housing and redevelopment authorities ("authorities"), and economic development authorities to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities if it will create or retain jobs in Minnesota, including construction jobs. In addition, authorities can make an equity or similar investment in a corporation, partnership, or limited liability company that they determine is necessary to make construction of private development financially feasible. The Law requires the City to have transferred unobligated tax increments to a segregated account by December 31, 2022, and to spend such increments by December 31, 2025, or by December 31, 2026, if authorized by an amended spending plan. Any unused tax increments must be returned to the applicable TIF district after the applicable date. The Special Law extended the timeline for spending of unobligated tax increments to December 31, 2027, under an amended spending plan.

The Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority"), established Tax Increment Financing (Redevelopment) District No. 1-1, Tax Increment Financing (Redevelopment) District No. 1-7 and Tax Increment Financing (Redevelopment) District No. 2-1 (collectively, the "TIF Districts") to achieve certain development objectives of the City including redevelopment of substandard properties and areas within the City. The TIF Districts are administered by the Authority and have been identified as TIF Districts that contain unobligated tax increment revenues.

In accordance with the Special Law, the municipality may amend the spending plan prior to December 31, 2025, to extend the deadline for use of transferred increments from December 31, 2025, to December 31, 2027, and to authorize the use of interest earned on transferred increment. The amended spending plan must be approved after holding a public hearing. The City must have provided a copy of the original spending plan approved and signed by the municipality, as well as any approved and signed amended spending plan, to the Office of the State Auditor.

The following text represents the amended and restated spending plan (the "Amended Spending Plan") for the TIF Districts.

Section A Purpose

The TIF Districts are administered by the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority"). The Authority proposes to adopt the Amended Spending Plan for the TIF Districts in accordance with Minnesota Statutes, Section 469.176, subd. 4n, as amended ("Subd. 4n"), and Minnesota Laws 2025, 1st Special Session, Chapter 13, Article 5, Section 14 (the "Special Law"). Pursuant to the Special Law, the city of Marshall (the "City") may elect to spend, loan, or invest transferred increment, including any interest or investment earnings on such transferred increment, as authorized under Subd. 4n, through December 31, 2027.

The purpose of the Amended Spending Plan is to allow for the use of unobligated tax increment revenues from the TIF Districts that were transferred and held in a segregated fund as authorized under Subd. 4n to assist in the private development or redevelopment of sites or lands or areas within the City in conformity with the City's Comprehensive Plan or other City plans or objectives.

The transferred tax increments and any interest or investment earnings on such increment are to be utilized for one of the following purposes:

1) to provide improvements, loans, interest rate subsidies, or assistance in any form to the private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities if the following conditions exist:
    a. it will create or retain jobs in the state, including construction jobs;
    b. construction of the project and spending of the funds commences before December 31, 2027, and
    c. the construction would not have commenced before that date without the assistance.
2) to make an equity or similar investment in a corporation, partnership, or limited liability company that the Authority determines is necessary to make construction of a development that meets the requirements of the law financially feasible.

The Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "Authority") created the original Spending Plan for Tax Increment Financing (Redevelopment) District No. 1-1, Tax Increment Financing (Redevelopment) District No. 1-7 and Tax Increment Financing (Redevelopment) District No. 2-1 (collectively, the "TIF Districts"), which was approved by the City Council of the City on December 27, 2022, after a public hearing thereon. The original Spending Plan details the use of unobligated tax increments from the TIF Districts in accordance with Subd. 4n and provides the city with greater flexibility on the use of TIF funds to promote construction and job creation. The unobligated tax increments were transferred from TIF Districts 1-1, 1-7 and 2-1 and deposited into a segregated account prior to December 31, 2022.

In accordance with Subd. 4n and the Special Law, the City may elect to spend, loan, or invest transferred increment, including any interest or investment earnings on such transferred increment, as authorized under Subd. 4n, through December 31, 2027, provided that the transferred increment was collected from the TIF Districts, and the use of the transferred increment is detailed in the city's written spending plan adopted pursuant to paragraph (c) of Subd. 4n.

The City provided the Office of the State Auditor with a copy of the original Spending Plan approved and signed by the City following its approval. As provided in Subd. 4n, any tax increments authorized under the spending plan must be transferred out of the applicable TIF fund by December 31, 2022, and spent by December 31, 2025, or by December 31, 2026, if authorized by an amended spending plan. Any funds unspent shall be returned to the originating TIF District, and if the TIF District has been decertified, remitted to the County for redistribution.

The City has been working on several development and redevelopment initiatives in the City that further the City's strategic priorities of redeveloping underutilized areas within the City and implementing an established plan for growth and active development in certain areas within the City. Potential projects identified to meet these initiatives are anticipated to require public assistance to be financially feasible and have been identified as potential qualifying uses for which unobligated tax increments, as further described in the next section of the Amended Spending Plan, will be necessary to fill a financial gap and allow for construction to occur.

The assistance provided pursuant to this Amended Spending Plan shall be subject to Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidy Law"), if applicable, and shall be subject to the Authority's Business Subsidy Policy.

Section B Unobligated TIF Funds

The Authority transferred $500,000 of unobligated tax increments from the TIF Districts prior to December 31, 2022, and they have been held in a separate fund. It is anticipated the unobligated tax increments will be used on eligible costs of future eligible projects that may include acquisition, site improvements/preparation costs, public improvements, utilities, other qualifying improvements, and other related expenses associated with development of the projects. Such projects are further described in paragraph two in Section C as follows.

Section C Amended Spending Plan

Under the Amended Spending Plan, the Authority is authorized to use unobligated tax increments from the TIF Districts to provide improvements, loans, interest rate subsidies, or assistance in any form to private development to further the Authority's redevelopment goals and objectives if doing so will create or retain jobs in the state, including construction jobs.

Financing assistance may be available for development and redevelopment projects that will create new housing, commercial, retail, industrial or open space, or any combination thereof, that are located within the City. For the purposes of this Amended Spending Plan, the areas considered as potential project locations where funds may be spent include existing commercial corridors within the City, East College and surrounding area, underutilized and/or vacant properties, expanded downtown area, and infrastructure improvements that would allow for additional industrial and residential growth. Eligible expenses related to such projects may include land acquisition, environmental rehabilitation, site preparation, public improvements, utilities, and other redevelopment costs. Such projects are expected to result in increased tax base and new job creation.

The projects shall commence before December 31, 2027 (unless a later commencement date is hereafter authorized by law) with the funds expended by that same date and shall include projects that would not commence by such date without the assistance provided pursuant to this Amended Spending Plan.

As related to the action of adopting the Amended Spending Plan for the TIF Districts, the City is authorized as follows:

1. To administratively amend the budget set forth in the Tax Increment Financing Plans for the TIF Districts as necessary to provide for the assistance authorized by this Spending Plan.

2. To take any other action necessary and authorized under the Law in connection with the construction or substantial rehabilitation of facilities of the type described in paragraph one above.

3. To authorize and direct staff to maintain a copy of this Amended Spending Plan with the Authority's records for the TIF District, and to file a copy of the Amended Spending Plan with the Office of the State Auditor.

Temporary Transfer Authority

In 2021, the Legislature enacted expanded, temporary authority to transfer unobligated tax increments for purposes of assisting private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in the state. Such enacted law is narrower than initially proposed and is similar to 2010 legislation that temporarily expanded the use of TIF with the aim of stimulating economic recovery after the Great Recession. This temporary authority was amended in 2025.

Authority and Purposes

The law temporarily permits a development authority to elect, by resolution, to transfer unobligated increment for certain specified purposes. The new law does not, however, override requirements to pay bonds to which increments are pledged.

Any transfer under this provision must be for the purpose of assisting private development that meets all of the following criteria:

1. it consists of the construction or substantial rehabilitation of buildings and ancillary facilities;
2. it creates or retains jobs in the state, including construction jobs; and
3. construction commences before December 31, 2027 (pursuant to Special Law), and would not have commenced before that date without the assistance.

Transfers must provide assistance in one or both of the following ways:

1. by providing improvements, loans, interest rate subsidies, or assistance in any form to the private development; or
2. by making an equity or similar investment in a corporation, partnership, or limited liability company that the authority determines is necessary to make construction of a development financially feasible.

In order to demonstrate compliance with Subd. 4n and the Special Law, it is recommended the Authority include affirmation of the qualifications in the written resolution electing to make the transfer. The Authority will also document that the development created or retained jobs in the state and that commencement of construction by December 31, 2027, had depended on the transfer.

Approvals and Spending Plans

Prior to approving the use of this temporary transfer authority by resolution, the Authority must have created a written spending plan that authorized the Authority to provide the assistance or make the investment that makes the development qualify. The plan must detail the use of transferred increment, including the use of interest earned on transferred increment. The OSA recommended identifying planned expenditures using the same categories identified in TIF plans and TIF reporting (e.g., acquisition, site preparation, financing costs, etc.), except for a category for administrative expenses, because administrative expenses are not included in the permissible uses of the transferred increment.

The municipality (which may or not be the same as the development authority) must have approved the authority's spending plan after holding a public hearing. The municipality must have published notice of the hearing in a newspaper of general circulation in the municipality and on the municipality's public website at least ten days, but not more than 30 days, prior to the date of the hearing.

The municipality may amend the spending plan prior to December 31, 2025, to extend the deadline for use of transferred increments from December 31, 2025, to December 31, 2027 (pursuant to Special

Law), and to authorize the use of interest earned on transferred increment. The amendment to the spending plan must be approved after holding a public hearing. An authority making a transfer under this authority must have provided a copy of the original spending plan approved and signed by the municipality, as well as any approved and signed amended spending plans, to the Office of the State Auditor.

Parameters and Limitations

The authority to transfer increments under this provision expired on December 31, 2022. Amounts being transferred under this provision must have been transferred from the fund or account in which tax increments are segregated and into a separate fund or account by December 31, 2022. Amounts must not be expended directly from the transferring TIF fund or account, and may not be spent after December 31, 2022, if they remain in the TIF district's fund or account at that time. All transfers must be spent, loaned, invested or otherwise irrevocably committed by December 31, 2025, or December 31, 2027, if authorized by an amended spending plan.

Transfers from a TIF district in calendar years 2021 and 2022 were limited to a maximum transfer equal to the excess of the district's unobligated increment. Under the provision, unobligated increment included any increment not required for payment of obligations due during the six months following the transfer on outstanding bonds, binding contracts, and other outstanding financial obligations of the district to which the district's increment is pledged. Unobligated increment may have included either in-district or out district shares of tax increment.

This provision does not provide any exception to pay those obligations to which tax increment is pledged, and an authority should not have transferred amounts that might impair their ability to make payments on those obligations.

Increment that is improperly retained, received, spent, or transferred was not eligible for transfer under this authority. Therefore, balances of tax increment should have been carefully evaluated prior to making transfers. For example, excess increment calculated for 2019 that might remain in the TIF fund after it should have been returned by September 30, 2020, would not have been eligible for transfer. Likewise, if a district received tax increment after it should have been decertified under the Six-Year Rule, such amounts of increment would also not have been eligible for transfer.

Unspent Transfers

Unspent transferred increment not spent, loaned, invested or otherwise irrevocably committed by December 31, 2027, as authorized by the Amended Spending Plan, must be returned to the fund(s) of the contributing TIF district(s). The requirement to return increment to the district includes any proceeds, principal, and interest received on loans of transferred increment; interest or investment earnings on transferred increment; or other repayments or returns of transferred increment defined as tax increment that remain in the funds or accounts of the authority or municipality on the applicable deadline, or that are subsequently received by the authority or municipality. If multiple districts transferred increment, the distribution of returned amounts need not be proportional to the amounts contributed, but the amount returned to each TIF district must not exceed the amount transferred from the district plus any interest on the transferred amount.

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

RESOLUTION NO. 25-001

APPROVING AN AMENDED SPENDING PLAN FOR TAX INCREMENT FINANCING DISTRICTS 1-1, 1-7, AND 2-1

WHEREAS, the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the "HRA") is a public body corporate and politic established pursuant to the provisions of Minnesota Statutes, Sections 469.001 to 469.047, as amended (the "HRA Act"); and

WHEREAS, the HRA has the power to engage in development or redevelopment activities under Minnesota law and the HRA is authorized to engage in activities relating to (a) housing projects and development, (b) removal and prevention of the spread of conditions of blight or deterioration, (c) bringing substandard buildings and improvements into compliance with public standards, (d) disposition of land for private redevelopment, and (e) improving the tax base and the financial stability of the community, and the HRA has the power to engage in the aforementioned activities when these activities cannot be undertaken solely by private initiative alone and to promote these activities in targeted neighborhoods; and the HRA is authorized to create redevelopment projects as defined in Minnesota Statutes, Section 469.002, Subd. 14; and

WHEREAS, various private entities have requested or identified the need for financial assistance from the HRA for various housing and redevelopment projects; and

WHEREAS, the HRA and the City of Marshall, Minnesota (the "City") previously established Tax Increment Financing (Redevelopment) District No. 1-1, Tax Increment Financing (Redevelopment) District No. 1-7, and Tax Increment Financing (Redevelopment) District No. 2-1 located in the City (the "TIF Districts") and adopted tax increment financing plans therefor, pursuant to the HRA Act and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"); and

WHEREAS, Section 469.176, subdivision 4n of the TIF Act (as amended, "Subd. 4n"), authorizes the HRA to spend available tax increment from any existing tax increment financing district, notwithstanding any other law to the contrary, to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of construction or substantial rehabilitation of buildings and ancillary facilities or to make an equity or similar investment in a corporation, partnership, or limited liability company that the HRA determines is necessary to make construction of a development, if the following conditions exist:

(i) Such assistance will create or retain jobs in the State of Minnesota, including construction jobs;

(ii) Construction commences before December 31, 2026;

(iii) The construction would not have commenced before December 31, 2026, without the assistance;

(iv) Tax increments under the spending plan are spent, loaned, invested, or otherwise irrevocably committed by December 31, 2025, or by December 31, 2026, if authorized by an amended spending plan pursuant to Subd. 4n; and

(v) The City Council of the City (the "Council") approves a written spending plan, after a duly noticed public hearing, that specifically authorizes the HRA to take such actions and details

the use of transferred increment, including the use of interest earned on transferred increment; and

WHEREAS, the Minnesota Legislature enacted and the Governor signed into law Minnesota Laws 2025, 1st Special Session, Chapter 13, Article 5, Section 14 (the "Special Law"), authorizing the City to elect to spend, loan or invest transferred increment collected from the TIF Districts, including any interest or investment earnings on such transferred increment as authorized under Subd. 4n, through December 31, 2027, provided that the use of the transferred increment is detailed in the City's written spending plan adopted after holding a public hearing as required by Subd. 4n; and

WHEREAS, by Resolution No.25-053, adopted by a majority vote of all members of the Council on July 8, 2025, the Council approved the Special Law and the chief clerical officer of the City filed with the Minnesota Secretary of State a certificate in the form prescribed by the attorney general, all in accordance with the requirement for local approval under Minnesota Statutes, Section 645.021, as amended; and

WHEREAS, pursuant to Subd. 4n, the HRA proposes to adopt that certain Amended and Restated Spending Plan for the TIF Districts ("Spending Plan"), which supplements, amends and restates the Spending Plan as adopted on December 27, 2022 by the Council, which authorizes the use of tax increments from the TIF Districts to provide improvements, loans, interest rate subsidies, or assistance in any form for private development that will create or retain jobs in this state; and

WHEREAS, on November 25, 2025, the Council conducted a public hearing on the proposed Spending Plan, following published notice in a newspaper of general circulation in the City and on the City's public website at least 10 days in advance of the hearing, in accordance with applicable law, and following such public hearing, the Council adopted a resolution approving the Spending 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. Approval of the Spending Plan.

1.01. The Board finds that the Spending Plan, as supplemented, amended and restated, is intended and, in the judgment of the Board, its effect will be, to create an impetus for development and redevelopment activities in the City, including, but not limited to, developing or redeveloping blighted or underutilized sites, lands or areas within the City, providing necessary public improvements for private development in the City, and otherwise promoting certain public purposes and accomplishing certain objectives as specified in the Spending Plan. The Board finds that the projects described in the Spending Plan would not have commenced by December 31, 2027, without the assistance being offered by the HRA as permitted by Subd. 4n and that assistance will stimulate private development and the creation or retention of jobs in the state, including construction jobs. The Board makes all the findings set forth in the Spending Plan, which are incorporated herein by reference

1.02. The Board finds that the tax increments transferred under the Spending Plan were not needed to pay obligations of the applicable TIF Districts due within the six months following such transfer and were not improperly retained, received, spent, or transferred.

1.03 The Board finds that the unobligated tax increments were transferred to a segregated account pursuant to the Spending Plan not later than December 31, 2022, in accordance with Subd. 4n.

1.04. The Spending Plan, as supplemented, amended and restated, is hereby approved and adopted and the Spending Plan shall be placed on file in the office of the Executive Director of the HRA. The HRA authorizes spending, loaning, investing, or otherwise irrevocably committing tax increments previously transferred in accordance with Subd. 4n, including interest earnings thereon, under the Spending Plan by December 31, 2027, for projects which commence construction by December 31, 2027.

1.05. The HRA's staff, advisors and legal counsel are authorized and directed to identify potential uses which are in accordance with the Spending Plan for projects that are likely to result in the most efficient and effective use of the identified funds, to proceed with the implementation of the Spending Plan and to negotiate, draft, and prepare all further plans, resolutions, documents and contracts necessary for this purpose for future approval by the Board.

1.06. The staff of the HRA is hereby directed to file a copy of the Spending Plan with the Office of the State Auditor.

Section 2. Effective Date. This resolution shall be in full force and effect from and after its approval.

Adopted by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota this this 25th day of November 2025.

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Robert J. Byrnes, Chair

ATTEST:

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Sharon Hanson, Executive Director