



CITY OF MARSHALL
Housing and Redevelopment Authority
Meeting
A g e n d a
Tuesday, December 27, 2022 at 6:45 PM
City Hall, 344 W. Main St.

CALL TO ORDER

APPROVAL OF MINUTES

- [1.](#) Consider Approval of the Minutes

PUBLIC HEARING

NEW BUSINESS

- [2.](#) Resolution Approving Adoption of a Spending Plan

ADJOURN TO CLOSED SESSION

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, December 27, 2022
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider Approval of the Minutes
Background Information:	Enclosed are the minutes from the meeting held on August 29, 2022.
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 meeting held on August 29, 2022, 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
Monday, August 29, 2022

The special meeting of the Housing and Redevelopment Authority was held on August 29, 2022, in the On Main room at City Hall, 344 West Main Street. The meeting was called to order at 4:01 P.M. by Chairman Robert Byrnes. In addition to Byrnes the following members were present: John DeCramer, Russ Labat, and James Lozinski and Amanda Schroeder. Absent: Craig Schafer and Steve Meister. Staff present included: Sharon Hanson, Executive Director; Dennis Simpson, City Attorney; Jason Anderson, Director of Public Works/ City Engineer; E.J. Moberg, Director of Administrative Services and Steven Anderson, City Clerk.

Consider approval of the minutes from the special meeting held on June 28, 2022

Motion made by Board Member DeCramer Seconded by Board Member Labat that the minutes of the special meeting held on June 28, 2022, be approved as filed with each member and that the reading of the same be waived. Voting Yea: Chairman Byrnes, Board Member Schroeder, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 5-0**

Helena Agri-Enterprises, LLC – Addendum to Purchase Agreement

City Attorney Dennis Simpson introduced the addendum for the purchase of property owned by Helena Agri-Enterprises, LLC. The City of Marshall and Helena Agri-Enterprises, LLC have previously entered into a purchase agreement wherein the City of Marshall will acquire Helena property located adjacent to State Highway 19 on the Westerly property limits of the City of Marshall. Closing on the acquisition of property has not occurred, because Helena Agri-Enterprises, LLC is presently working on remediation of agricultural chemical issues located on the property. There have been recent discussions concerning additional testing and remediation of agricultural chemicals located in, around and under the dry fertilizer Quonset presently in a state of disrepair on the property. Discussions between staff and elected officials have resulted in an agreement with Helena to equally split the costs for the demolition and removal of the dry fertilizer Quonset building. That additional testing and remediation can proceed. Proposal for demolition and removal of the building, and asbestos abatement on site has resulted in a bid of \$128,800.00. The city has agreed to pay up to one-half of that amount being \$64,400.00. Discussion was had regarding the additional building on the site and talks with Ag-Plus about relocating their propane site that is still within the runway protection zone.

City staff has had discussions with MnDOT Aeronautics regarding a future grant proposal which would authorize payment of land acquisition and demolition costs associated with this property. City staff is hopeful that the grant solicitation will be submitted from the state within the next two months so that the City may obtain grant funds for the acquisition and demolition costs incurred with this project.

Motion by Board Member DeCramer seconded by Board Member Lozinski to approve the purchase agreement addendum up to \$64,400. Voting Yea: Voting Yea: Chairman Byrnes, Board Member Schroeder, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 5-0**

Adjourn

At 4:27 P.M., Motion made by Board Member Schroeder, Seconded by Board Member Lozinski to adjourn. Voting Yea: Chairman Byrnes, Board Member Schroeder, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 5-0**

Robert J. Byrnes
Chairman

ATTEST:

Sharon Hanson
Executive Director

CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	E.J. Moberg
Meeting Date:	Tuesday, December 27, 2022
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Resolution approving adoption of a spending plan
Background Information:	<p>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 before December 31, 2025.</p> <p>The bill states 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).</p> <p>What is unobligated increment? Unobligated increment includes:</p> <ul style="list-style-type: none"> » Increment from any districts, regardless of when the request for certification was made, and unobligated as of the date of final enactment of the legislation, (July 1, 2021) » Increment not required for the payment of bonds, pay-as-you-go notes, interfund loans, binding contracts or other obligations during the six months following the transfer of the increment out of the district » Increment that is not improperly retained, received, spent, or transferred <p>Authorities are required to develop a written spending plan that details the use of the unobligated increment and authorizes 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 must then approve the spending plan after holding a public hearing. This requires 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.</p> <p>How long is this option available? The temporary authority to transfer the unobligated increment expires on December 31, 2022 and the transferred increment must be spent by December 31, 2025.</p> <p>The public hearing was published in the official newspaper on Friday, December 16th and on the City website for Tuesday, December 27th at 5:30 pm.</p> <p>City staff have been working with BakerTilly to assist us:</p> <ul style="list-style-type: none"> • Determine the amount of unobligated increment available for use • Develop a spending plan as required in the legislation

	<ul style="list-style-type: none"> • Consult with our TIF attorney <p>If approved, city staff will provide a copy of the spending plan approved to the Office of the State Auditor.</p>
Fiscal Impact:	The recommendation is to allocate \$500,000 of unobligated tax increments from participating TIF Districts.
Alternative/ Variations:	Do not approve the spending plan or the resolution and leave the monies as part of the tax increment financing fund for future use.
Recommendations:	Approve the resolution approving the adoption of a spending plan.

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

RESOLUTION NO. 22-006

**RESOLUTION APPROVING THE ADOPTION OF A SPENDING PLAN
MINNESOTA STATUTES, SECTION 469.176, SUBD 4N**

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 to engage in the aforementioned activities when these needs cannot be met through reliance solely upon private initiative and which can also be undertaken in targeted neighborhoods; and 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”) have previously established the following tax increment financing districts located in the City (collectively, 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”): (1) Tax Increment Financing (Redevelopment) District No. 1-1; (2) Tax Increment Financing (Redevelopment) District No. 1-7; and (3) Tax Increment Financing (Redevelopment) District No. 2-1; and

WHEREAS, Section 469.176, subdivision 4n of the TIF Act (“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:

- (1) Such assistance will create or retain jobs in the State of Minnesota, including construction jobs;
- (2) Construction commences before December 31, 2025;
- (3) The construction would not have commenced before December 31, 2025 without the assistance;
- (4) Tax increments under the spending plan are spent by December 31, 2025; and
- (5) 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

WHEREAS, pursuant to Subd. 4n, the HRA proposes to adopt that certain Spending Plan for the TIF Districts (the “Spending Plan”) 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 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 that meets the requirements of Subd. 4n financially feasible; and

WHEREAS, the Council will hold a public hearing on this same date, following published notice on the City's public website and in a newspaper of general circulation in the City in accordance with Subd. 4n, and will consider a resolution to approve the Spending Plan; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners (the "Board") of the HRA as follows:

Section 1. Approval of the Spending Plan

1.01 The Board hereby finds that the Spending Plan 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, 2025 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 HRA 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 to be transferred under the Spending Plan are not needed to pay obligations of the applicable Tax Increment Financing Districts due within the six months following such transfer and are not improperly retained, received, spent, or transferred.

1.03 Contingent upon approval by the City Council of the City after the public hearing, the Spending Plan 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 transferring all tax increments under the Spending Plan to a segregated account by December 31, 2022 and spending tax increments under the Spending Plan by December 31, 2025 for projects which commence construction by December 31, 2025.

1.04 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.

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

Adopted by the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota
this 27th day of December, 2022.

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

Robert J. Byrnes
Chair

Attest:

Sharon Hanson
Executive Director