



CITY OF MARSHALL
Housing and Redevelopment Authority
Meeting
A g e n d a

**Tuesday, June 09, 2020 at 7:00 PM or Immediately
after the Regular Meeting is Adjourned
Minnesota Emergency Response and Industrial
Training (MERIT) Center, 1001 Erie Road**

NOTICE: Pursuant to Minnesota State Statute 13D.021

Some or all members of the City Council may participate by telephone or other electronic means. Regular attendance and meeting location are not feasible due to the Coronavirus disease (COVID-19) pandemic.

CALL TO ORDER

APPROVAL OF MINUTES

1. Consider approval of the minutes from the special meeting held on March 10, 2020.

NEW BUSINESS

2. Consider Resolution No. ____, Second Series, Authorizing Amendment of the Tax Increment Financing Plan for Tax Increment Financing District No 2-2

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

Meeting Date:	Tuesday, June 9, 2020
Category:	APPROVAL OF MINUTES
Type:	ACTION
Subject:	Consider approval of the minutes from the special meeting held on March 10, 2020.
Background Information:	
Fiscal Impact:	
Alternative/ Variations:	Staff encourages HRA Members to provide any suggested corrections to the minutes in writing to City Clerk, Kyle Box, prior to the meeting. We then could potentially incorporate proposed amended minutes at the meeting.
Recommendations:	that the minutes of the special meeting held on March 10, 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 10, 2020

The special meeting of the Housing and Redevelopment Authority was held on March 10, 2020 in the Professional Development Room at the Marshall Middle School, 401 South Saratoga 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: Craig Schafer, Glenn Bayerkohler, John DeCramer, Russ Labat, James Lozinski. Absent: Steve Meister. Staff present included: Sharon Hanson, Executive Director; Dennis Simpson, City Attorney; Jason Anderson, Director of Public Works/ City Engineer; Annette Storm, Director of Administrative Services; Jim Marshall, Director of Public Safety; Sheila Dubs, Human Resource Manager; Dave Parsons, City Assessor and Kyle Box, City Clerk.

Consider approval of the minutes from the special meeting held on February 25, 2020.

Motion made by Board Member Lozinski, Seconded by Board Member Labat that the minutes of the special meeting held on February 25, 2020 be approved as filed with each member and that the reading of the same be waived. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Bayerkohler, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 6-0**

Conduct Public Hearing Regarding the Sale of Public Property Owned by HRA

City of Marshall is the owner of property described as Lot 2 in Block 7 Commerce Industrial Park Second Addition to the City of Marshall. HRA has previously granted to Marshall Municipal Utilities an exclusive option regarding the purchase of said property. MMU has given timely notice to exercise the option to purchase Lot 2 in Block 7 Commerce Industrial Park Second Addition. Pursuant to Minnesota Statutes, HRA has called for a public hearing to be held on Tuesday, March 10, 2020. It is recommended that the public hearing be opened for the purpose of discussion regarding proposed sale of property. At the conclusion of the discussion of the public hearing it is recommended that the public hearing be closed and that the HRA then consider matters brought up at the public hearing to make a determination regarding the proposed sale of property.

The option contract grants to MMU the exclusive right to purchase the identified property for a price of \$1.00 and other good and valuable consideration. The \$1.00 has previously been paid at the time the option contract was signed.

Motion made by Board Member DeCramer, Seconded by Board Member Lozinski to close the public hearing. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Bayerkohler, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 6-0**

Motion made by Board Member DeCramer, Seconded by Board Member Schafer that the HRA proceed to except the offer to sell the property in compliance with the option agreement previously granted. MMU has been a financial partner with HRA regarding the development of Commerce Park and Commerce Park Second Addition. Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Bayerkohler, Board Member DeCramer, Board Member Labat, Board Member Lozinski. The motion **Carried. 6-0**

Adjourn

Motion made by Board Member Schafer, Seconded by Board Member Labat.

Voting Yea: Chairman Byrnes, Board Member Schafer, Board Member Bayerkohler, Board Member DeCramer, Board Member Labat, Board Member Lozinski

Robert J. Byrnes
Chairman

ATTEST:

Sharon Hanson
Executive Director



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, June 9, 2020
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider Resolution No. ____, Second Series, Authorizing Amendment of the Tax Increment Financing Plan for Tax Increment Financing District No 2-2
Background Information:	<p>On May 23, 2020, the Council awarded a contract for demolition to LinnCo Inc in the amount of \$523,444 for the property located at 326 W Main Street (also known as the Marshall Hotel). It was the understanding that pooled TIF would be used as the funding source.</p> <p>This administrative budget amendment to TIF District 2-2 would give the authority to use pooled TIF dollars to fund the demolition of the previously described property.</p>
Fiscal Impact:	
Alternative/ Variations:	
Recommendations:	Approve Resolution No. ____, Second Series, Authorizing Amendment of the Tax Increment Financing Plan for Tax Increment Financing District No 2-2

Commissioner _____ introduced the following resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

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

**RESOLUTION NO. _____
SECOND SERIES**

**RESOLUTION AUTHORIZING AMENDMENT OF THE TAX INCREMENT
FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 2-2**

WHEREAS, the City Council of the City of Marshall, Minnesota (the “City”) heretofore established Redevelopment Project Area No. 2 (the “Redevelopment Project”) and adopted a redevelopment plan therefore (the “Redevelopment Plan”); and

WHEREAS, on July 21, 1986 the City Council of the City established Tax Increment Financing District No. 2-2 (“TIF District No. 2-2”) within the Redevelopment Project as a redevelopment district, and in connection with TIF District No. 2-2, the City Council of the City adopted a Tax Increment Financing Plan (the “TIF Plan”) therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.174 through 469.1794, inclusive, as amended (the “TIF Act”); and

WHEREAS, the City and the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota (the “Authority”) currently administer TIF District No. 2-2; and

WHEREAS, under Section 469.175, subd. 4 of the TIF Act, the Authority may modify a tax increment financing plan without notice and a public hearing as long as the modification does not relate to a change in the size of the project or tax increment financing district, a change in the amount of bonded indebtedness to be incurred, a change in whether interest will be capitalized or the amount of capitalized interest, an increase in the captured net tax capacity to be retained by the authority, an increase in the estimate of the cost of the project, or the designation of additional property to be acquired by the authority; and

WHEREAS, the City and the Authority have determined that it is necessary to amend the budget within the Modified TIF Plan to specifically allow the Authority to expend revenue derived from tax increments within TIF District No. 2-2 on any eligible redevelopment expense within the Redevelopment Project but outside TIF District No. 2-2; this amendment to the TIF Plan is necessary in order to provide the tax increment financing necessary to make feasible the planned redevelopment for the Redevelopment Project as a whole; and

WHEREAS, the aforementioned amendment to the TIF Plan for TIF District No. 2-2 is described in the “Administrative Amendment to the Redevelopment Plan for Redevelopment Project Area No. 2, Including Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 (the “Amendment”) attached to this resolution as Exhibit A; and

WHEREAS, the Amendment was presented to the Board of Commissioners of the Authority on

this date.

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:

1. The Amendment is hereby approved in substantially the form on file with the Authority.
2. The Executive Director of the Authority is hereby authorized and directed to file a copy of the Amendment, in substantially the form presented to the Board, with the Office of the State Auditor and the State of Minnesota Commissioner of revenue as required by Section 469.175, subd. 4a of the TIF Act.
3. The Executive Director of the Authority is hereby authorized and directed to file a copy of the Amendment, in substantially the form presented to the Board, with the Lyon County Auditor for informational purposes.

Approved by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Marshall, Minnesota this 9th day of June 2020.

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

Robert J. Byrnes
Chair

Attest:

Sharon Hanson
Executive Director

EXHIBIT A

Administrative Amendment to the Redevelopment Plan for Redevelopment Project Area No. 2,
Including Tax Increment Financing Plan for Tax Increment Financing District No. 2-2

**Redevelopment Plan
for
Schwan's Redevelopment Project No. 2
and
Administrative Amendment to the Tax Increment
Financing Plan for Tax Increment Financing
Redevelopment District No. 2-2**

Housing and Redevelopment Authority

in and for the City of Marshall

City of Marshall, Minnesota

Prepared by

Baker Tilly Municipal Advisors, LLC

Dated: June 5, 2020

Approval by HRA Board: June 9, 2020

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and wholly owned subsidiary of Baker Tilly Virchow Krause, LLP, an accounting firm. Baker Tilly Virchow Krause, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities.

Introduction

The City of Marshall (the “City”) and the Housing and Redevelopment Authority in and for the City (the “Authority”) have retained Baker Tilly as municipal advisor (the “Municipal Advisor”) in connection with the establishment and modification of redevelopment projects and tax increment financing districts. In providing financial analysis contained within this document, the Municipal Advisor has relied upon government officials, and other sources that have access to relevant data to provide accurate information. The Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

The purpose of the modification to the Redevelopment Plan for Redevelopment Project Area No. 2 in the City of Marshall is to prepare an administrative amendment to the Tax Increment Financing Plan for Tax Increment Financing District No. 2-2.

The City and Authority reserve the right to finance any TIF-eligible costs within the Redevelopment Project Area utilizing available tax increments from the existing TIF District. Financing of identified projects within the Project Area will be limited to the amount of revenues currently available within each district, as well as future tax increments generated from the individual TIF Districts through the remaining terms of the Districts.

The sections specifically being modified in the Redevelopment Plan include Section 1.5, Estimated Public Improvement Costs and Supportive Data. The sections specifically being modified in the TIF Plan for TIF District No. 2-2 include Section 3.6, the Estimated Public Improvement Costs and Supportive Data.

MUNICIPAL ACTION TAKEN

Based upon the statutory authority described in the Modified Redevelopment Plan, the public purpose findings by the Commissioners and for the purpose of fulfilling the Authority's redevelopment objectives as set forth in the Modified Redevelopment Plan, the Commissioners have established Schwan's Redevelopment Project No. 2.

The following municipal action was taken in connection therewith:

June 18, 1984: The Redevelopment Plan for Schwan's Redevelopment Project No. 2 was adopted by the City Council.

July 15, 1985: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect an enlargement of the geographic area.

July 21, 1986: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect an enlargement of the geographic area and increased Project costs.

March 16, 1992: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect increased Project costs.

September 21, 1992: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect an enlargement of the geographic area and increased Project costs.

February 7, 1994: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect an enlargement of the geographic area and increased Project costs.

December 2, 1996: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect an enlargement of the geographic area and increased Project costs.

December 21, 1998: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect an enlargement of the geographic area.

October 25, 2000: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect increased project costs and establishment of Tax Increment Financing District No. 2-3.

April 30, 2001: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect technical amendments and increased project costs.

December 15, 2003: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect increased Project costs of the Tax Increment Financing Districts located within, to be expended within the Project Area. It is also proposed that the term of Tax Increment Financing District No. 2-3 be extended.

October 15, 2007: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect increased Project costs and an enlargement of the geographic area to include future proposed projects.

June 2, 2008: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect increased Project costs and an enlargement of the geographic area to include future proposed projects.

February 8, 2011: The Redevelopment Plan for Redevelopment Project No. 2 was modified to reflect increased Project costs and an enlargement of the geographic area to include future proposed projects.

June 9, 2020: The Plan for Redevelopment Project No. 2 is to be modified by the City Council to reflect administrative amendment to TIF 2-2.

The following municipal action was taken with regard to the Tax Increment Financing Districts comprising portions of Schwan's Redevelopment Project No. 2:

Tax Increment Financing District No. 2-1:

DECERTIFIED

Tax Increment Financing District No. 2-2:

July 21, 1986: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was adopted by the City Council.

March 16, 1992: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect increased Project costs.

September 21, 1992: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect an enlargement of the geographic Project area and increased Project costs.

February 7, 1994: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect an enlargement of the geographic Project area and increased Project costs.

December 2, 1996: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect an enlargement of the geographic Project area and increased Project costs.

December 21, 1998: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect an enlargement of the geographic Project area.

October 25, 2000: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect increased Project costs relating to Schwan's projects.

April 30, 2001: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect technical amendments and increased Project costs.

December 15, 2003: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect increased Project costs.

October 15, 2007: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect increased Project costs.

June 2, 2008: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect increased Project costs.

February 8, 2011: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 was modified to reflect increased Project costs.

June 9, 2020: The Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 is to be administratively amended by the City Council to reflect an adjustment to project costs with no increase in overall project costs or revenues.

Tax Increment Financing District No. 2-3:

DECERTIFIED

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SECTION II Modified Tax Increment Financing Plan for Tax Increment Financing District No. 2-1

DECERTIFIED

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SECTION IV
Tax Increment Financing Plan for
Tax Increment Financing District No. 2-3

DECERTIFIED

<i>Exhibit I</i>	Boundary Map of Redevelopment Project No. 2.....	5
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SECTION I

**Modified Redevelopment Plan for
Schwan's Redevelopment Project No. 2**

1.1 Definitions

No Change

1.2 Statement and Finding of Public Purpose

No Change

1.3 Statutory Authority

No Change

1.4 Statement of Objectives

No Change

1.5 Estimated Public Improvement Costs and Supportive Data

(AS MODIFIED BY ADMINISTRATIVE AMENDMENT ON JUNE 9, 2020)

Included in this section are the estimated development and public improvement costs related to the proposed projects within Redevelopment Project No. 2 and financed by tax increments derived from tax increment financing districts within Redevelopment Project No. 2

**(PUBLIC IMPROVEMENT COSTS AS ADJUSTED BY MODIFICATION OF
THE REDEVELOPMENT PLAN ON JUNE 9, 2020)**

(from Tax Increment Financing District No. 2-2)

Estimated Future Redevelopment and Development Costs of the Redevelopment Plan

	Original	Administrative Amendment
Parkway Addition Acquisition & Infrastructure	738,500	738,500
Sonstegard Public Utilities	1,292,740	792,740
Marshall Hotel Demolition	100,000	600,000
Parkway III Acquisition, Demolition & Infrastructure	387,609	387,609
DeRuyk Infrastructure	1,819,278	1,819,278
Total	\$4,338,127	\$4,338,127

1.6 Boundaries of Redevelopment Project No. 2

No Change

1.7 Boundary Maps of Redevelopment Project No. 2

No Change

**1.8 Parcels to be Acquired in Whole or in Part Within
Redevelopment Project No. 2**

No Change

1.9 Public Improvements and Facilities Within Redevelopment Project No. 2

No Change

1.10 Environmental Controls

No Change

1.11 Proposed Reuse of Property

No Change

1.12 Administration and Maintenance of Redevelopment Project No. 2

No Change

1.13 Rehabilitation

No Change

1.14 Relocation

No Change

SECTION II

**Modified Tax Increment Financing Plan for
Tax Increment Financing District No. 2-1
(Schwans Corporate, Cold Storage, & Ice Cream Plant)**

DECERTIFIED

SECTION III

**Tax Increment Financing Plan for
Tax Increment Financing District No. 2-2
(Schwans Depot)**

3.1 Statement of Objectives

No Change

3.2 The Modified Redevelopment Plan

No Change

3.3 Parcels to be Included in Tax Increment Financing District No. 2-2

No Change

3.4 Parcels in Acquisition

No Change

3.5 Development Activity in Redevelopment Project No. 2 Proposed by Plan for which Contracts have been Signed

No Change

3.6 Estimated Public Improvement Costs and Supportive Data

(AS MODIFIED THROUGH ADMINISTRATIVE AMENDMENT ON JUNE 9, 2020)

	Original	Administrative Amendment
Parkway Addition Acquisition & Infrastructure	738,500	738,500
Sonstegard Public Utilities	1,292,740	792,740
Marshall Hotel Demolition	100,000	600,000
Parkway III Acquisition, Demolition & Infrastructure	387,609	387,609
DeRuyk Infrastructure	1,819,278	1,819,278
Total	\$4,338,127	\$4,338,127

3.7 Sources of Revenue

No Change

3.8 Original Assessed Value and Current Assessed Value

No Change

3.9 Estimated Captured Assessed Value

No Change

3.10 Type of Tax Increment Financing District

No Change

3.11 Duration of Tax Increment Financing District No. 2-2

No Change

3.12 Estimated Impact on Other Taxing Jurisdictions

No Change

3.13 Cash Flow Assumptions and Analysis

No Change

3.14 Estimated Amount of Bonded Indebtedness

No Change

**3.15 Tax Increment Financing Account for Tax Increment
Financing District No. 2-2**

No Change

3.16 Modification of Tax Increment Financing District No. 2-2

(AS MODIFIED THROUGH ADMINISTRATIVE AMENDMENT ON JUNE 9, 2020)

June 9, 2020: Pursuant to the adoption of the administrative amendment to the Redevelopment Plan for Redevelopment Project No. 2, the Tax Increment Financing Plan for Tax Increment Financing District No. 2-2 is hereby modified to reflect the adjustment of the Project costs, as provided in Section I, Subsection 1.5 of the Modified Redevelopment Plan.

SECTION IV

**Tax Increment Financing Plan for
Tax Increment Financing District No. 2-3
(Schwans Research & Development and Razor)**

DECERTIFIED

Map of Redevelopment Project Area No. 2

