

To: HONORABLE MAYOR AND CITY COUNCIL.

FROM: Dave Maroney, City Administrator.

SUBJECT: Designating Building as Structurally Substandard.

DATE: April 2, 2020.

BACKGROUND.

The Economic Development Authority, Economic Initiatives, Goodhue County and City Council are moving forward together to facilitate the environmental clean-up and redevelopment of the former Cannonball property. The finance plan developed for this undertaking includes the possible use of tax increment financing. However, to legally establish a *Redevelopment TIF District* a “structurally substandard building” must exist on the property. Currently, the property is occupied by a qualifying building. However, the building will be removed prior to establishment of a *Redevelopment TIF District*. To preserve the “legal right” to create a *Redevelopment TIF District* in the future, the accompanying Resolution designating the existing building as structurally substandard must be approved.

REQUESTED COUNCIL ACTION.

The City Council is requested to approve the Resolution designating the building that currently exists on the former Cannonball property as structurally substandard thereby preserving authority to create a *Redevelopment TIF District* in the future.

**CITY OF CANNON FALLS
GOODHUE COUNTY, MINNESOTA**

RESOLUTION NUMBER 2475

**MAKING CERTAIN FINDINGS WITH RESPECT TO
SUBSTANDARD BUILDINGS**

WHEREAS, the City of Cannon Falls (the "City") intends to undertake a redevelopment project in the City (the "Redevelopment Project");

WHEREAS, a part of the Redevelopment Project involves the demolition and clearance of a certain blighted building (the "Building") described on Exhibit A located on the parcel also described on Exhibit A attached hereto (the "Parcel"); and

WHEREAS, the deteriorated condition of the Building creates a health and safety concern necessitating the demolition of the Building prior to the creation of a tax increment financing district; and

WHEREAS, Minnesota Statutes, Sections 469.174 to 469.1794 (the "Tax Increment Act") provides that a City may create a tax increment financing district (a "TIF District") as a "redevelopment district" if the City finds by resolution that the Parcel consisting of 70% of the area of the TIF District is occupied by buildings, streets, paved or gravel parking lots or other similar structures, and more than 50% of the buildings, not including out buildings, are structurally substandard to a degree requiring substantial renovation or clearance; and

WHEREAS, Minnesota Statutes, Section 469.174, subdivision 10(d), provides, among other things, that a parcel may be deemed to be occupied by a structurally substandard building if (1) the parcel was occupied by a substandard building within three years of the filing of the request for certification of the parcel as part of the TIF District with the county auditor; (2) the substandard building was demolished or removed by the City, the demolition or removal was financed by the City or was done by a developer under a development agreement with the City; and (3) the City found by resolution, before the demolition or removal, that the parcel was occupied by a structurally substandard building and that after demolition and clearance the City intended to include the parcel within the district.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Cannon Falls, Minnesota, as follows:

1. At least 15% of the area of each parcel is occupied by Building or streets, paved or gravel parking lots or other similar structures.
2. The Building is "structurally substandard" within the meaning of Minnesota Statutes, Section 469.174, subdivision 10. The reasons and supporting facts for this determination are on file with the staff of the City.

3. The City intends to demolish the Building and the City may subsequently include the Parcel in a redevelopment tax increment district established pursuant to Minnesota Statutes, Section 469.174, subdivision 10, which TIF District, if established, shall be established within three years of the date hereof.

4. Upon filing the request for certification of the tax capacity of the Parcel as part of the TIF District, the City will notify the county auditor that the original tax capacity of the Parcel must be adjusted as provided in Minnesota Statutes, Section 469.177, subdivision 1, paragraph (f).

Passed and adopted by the City Council of the City of Cannon Falls, Minnesota, this 7th day of April, 2020.

John O. Althoff, Mayor

Attest:

Neil Jensen, City Administrator

EXHIBIT A

Parcel and Building Information

Parcel Identification Number
52.730.0010

Number of Buildings
One (1)