

**TO: HONORABLE MAYOR AND CITY COUNCIL OF CANNON FALLS**

**FROM: Laura Qualey, Economic Development**

**SUBJECT: Approving Resolution 2580 Modification #1 to the Keller-Baartman Housing Project**

**DATE: October 19, 2021**

**BACKGROUND**

The original timeline for construction to commence for redevelopment of the Cannonball lot was to be in late 2021 which would have resulted in tax increment revenue first being received in 2023. Due to the process and multi-step/layers of the rezone and PUD for the Keller Baartman Housing Project, the construction timeline has been pushed out further.

As noted in the Development Agreement Section 2.2 (6), construction will commence by July 1, 2022 and will be substantially complete by December 31, 2023, thus pushing first year of increment back to 2024. If we do not alter the TIF Plan to reflect 2024 to be the first year of increment, the Developer, in essence, will be losing a year of increment on the back end. We would not be enlarging the budget, the boundaries, the amount of bonded indebtedness or interest expense.

**REQUESTED ACTION**

The Economic Development Authority respectfully requests a motion to approve Resolution 2580 in support of the modification to the TIF 2-10 agreement.

**EXTRACT OF MINUTES OF A MEETING OF THE  
CITY COUNCIL OF THE CITY OF CANNON FALLS, MINNESOTA**

HELD: OCTOBER 19, 2021

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Cannon Falls, Goodhue County, Minnesota, was duly called and held on the 19<sup>th</sup> day of October, 2021, at 6:30 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 NUMBER 2580**

**APPROVING MODIFICATION #1 OF THE TAX INCREMENT FINANCING PLAN FOR  
TAX INCREMENT FINANCING DISTRICT NO. 2-10**

WHEREAS:

- A The City of Cannon Falls, Minnesota (the "City") was requested to provide tax increment financing for multi-family housing project (Keller-Baartman Properties XIV, LLC Housing Project, the "Project"). The City agreed to establish Tax Increment Financing District No. 2-10 and adopt a tax increment financing plan relating thereto, under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794 (inclusive, the "Act") for the purpose of assisting the Project; and
- B. The City performed all actions required by law to be performed prior to the establishment of Tax Increment Financing District No. 2-10 including the notification of Goodhue County and Cannon Falls Area Public Schools, having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 2-10, and the holding of a public hearing on August 3<sup>rd</sup>, 2021 upon published notice as required by law.
- C. The original TIF Plan expected the first year of increment to be collected as taxes payable year 2023 with final year of collection in 2048, for a total of twenty-six collections of increment as allowed in the Act for Housing TIF Districts.
- D. The actual first year of tax increment receipt is now expected to be payable year 2024 due to delays in construction, thereby allowing the final year of collection to be 2049. To avoid confusion, the City wishes to formally modify the TIF Plan to clarify this change. This modification does not change the project costs, authorized budget, authorized bonded indebtedness, the boundaries of the TIF District, or any other items which would require a public hearing.

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

1. Tax Increment Financing District No. 2-10. The City hereby affirms the first year of receipt of tax increment is elected to be taxes payable 2024 and the required date of decertification is modified to be December 31, 2049.
2. Modification. The attached Modification #1 is hereby incorporated and approved as part of this Resolution.
3. Filing. The City Clerk is further authorized and directed to file a copy of this modification of the Tax Increment Financing Plan with the Goodhue County Auditor's Office, the Commissioner of Revenue and Office of the State Auditor.

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.

**ADOPTED** by the Council this 19<sup>th</sup> day of October, 2021.

\_\_\_\_\_  
John O. Althoff, Mayor

ATTEST: \_\_\_\_\_  
Neil L. Jensen, City Administrator

STATE OF MINNESOTA  
COUNTY OF GOODHUE  
CITY OF CANNON FALLS

I, the undersigned, being the duly qualified and acting Clerk of the City of Cannon Falls, 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 modification of Tax Increment Financing District No. 2-10.

WITNESS my hand this 19<sup>th</sup> day of October, 2021.

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City Administrator