

**TO: MAYOR AND CITY COUNCIL**

**FROM: NEIL JENSEN, City Administrator**

**SUBJECT: Resolution 2618 Terminating the Development Agreement with George on the Rocks, LLC and Decertifying Tax Increment Financing District No. 2-7**

**MEETING DATE: February 15, 2022**

**BACKGROUND**

Mr. David Olson owner of Artisan Plaza and recipient of Tax Increment Financing (TIF) District 2-7 has requested to decertify the TIF District and has returned all the increment dollars from the last 2 years.

Please find in your packets a resolution that will decertify the TIF District 2-7 and void the Developer's Agreement for the project. Once the council approves the resolution, staff will forward the proper paperwork to the county and State Auditor's Office. The returned dollars will be sent to the county to be redistributed.

**STAFF RECOMMENDATION**

Please approve Resolution 2618 Terminating the Development Agreement with George on the Rocks, LLC and Decertifying Tax Increment Financing District No. 2-7

**REQUESTED COUNCIL ACTION**

Please approve Resolution 2618 Terminating the Development Agreement with George on the Rocks, LLC and Decertifying Tax Increment Financing District No. 2-7

RECEIVED JAN 11 2022

Dear City of Cannon Falls,

1/7/22

We are returning all of the TIF money that was paid to Artisan Plaza over the last two years. We will not be participating in that program anymore.



David Olson

**ARTISAN PLAZA LLC**

WWW.COMPUCHECKS.COM 888.358.5591

**12040**

**CITY OF CANNON FALLS**

Date	Type	Reference	Original Amt.	Balance Due	1/7/2022 Discount	Payment
1/1/2022	Bill	TIF Pay Back	10,784.45	10,784.45		10,784.45
1/1/2022	Bill	TIF Pay Back	11,665.58	11,665.58		11,665.58
1/1/2022	Bill	TIF Pay Back	11,665.58	11,665.58		11,665.58
1/1/2022	Bill	TIF Pay Back	10,712.58	10,712.58		10,712.58
					Check Amount	44,828.19

RECEIVED JAN 11 2022

Checking - Merchants

44,828.19

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

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 at the City Hall on the February 15, 2022, at 6:30 p.m.

The following members were present:

and the following were absent:

Member \_\_\_\_\_ introduced the following resolution, the reading of which was dispensed with by unanimous consent, and moved its adoption:

**RESOLUTION NUMBER 2618**

**RESOLUTION TERMINATING THE DEVELOPMENT AGREEMENT  
WITH GEORGE ON THE ROCKS, LLC AND DECERTIFYING TAX  
INCREMENT FINANCING DISTRICT NO. 2-7**

WHEREAS, the City of Cannon Falls (the "City") has heretofore created Tax Increment Financing District No. 2-7 (the "TIF District"); and

WHEREAS, on December 1, 2017, the City and (the "Developer") entered into a Development Agreement (the "Agreement") in connection with the renovation of an existing substandard building and the acquisition, construction and equipping of an approximately 20,696 square foot local food and commercial center by the Developer (the "Project"); and

WHEREAS, the Developer desires to no longer receive any future tax increments derived from the Project, and has returned to the City all tax increments paid by the City to the Developer pursuant to the TIF Note (as defined in the Agreement).

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

1. The City hereby terminates and cancels the Agreement and the Developer and the City shall be released from all of their respective duties, obligations and responsibilities under the Agreement as of the date hereof.

2. The City Council hereby finds, declares and determines to decertify the TIF District, effective as of the date of this resolution.

3. The City Administrator is hereby directed to send a copy of this resolution to the County Auditor of Goodhue County and the Office of the State Auditor and to take all other steps, if any, which are necessary to decertify the TIF District.

4. All tax increments collected from the TIF District that have been paid to the Developer and subsequently repaid to the City, together with additional unspent tax increments, shall be returned to the County Auditor of Goodhue County for distribution to the affected tax jurisdictions in accordance with Minnesota Statutes, Section 469.176, subdivision 2.

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:

and the following voted against the same:

Whereupon said resolution was declared duly passed and adopted by the City Council of the City of Cannon Falls, Minnesota on this 15<sup>th</sup> day of February, 2022.

\_\_\_\_\_  
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 City Administrator of the City of Cannon Falls, Minnesota, DO HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a meeting of the City Council of the City of Cannon Falls, Minnesota, duly called and held, as such minutes relate to the termination of a development agreement and the decertification of Tax Increment Financing District No. 2-7

WITNESS my hand on February 15, 2022.

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City Administrator