

2K. Consideration of approving Resolution 2023-53 decertifying Tax Increment Financing (TIF) District #1-22

<p>Prepared by: Finance Director</p>	<p>Meeting Date: 6/26/2023</p>	<p><input checked="" type="checkbox"/> Consent Agenda Item <input type="checkbox"/> Regular Agenda Item</p>
<p>Reviewed by: Community Development Director, Economic Development Manager</p>	<p>Approved by: City Clerk</p>	

ACTION REQUESTED

Motion to approve Resolution 2023-53 decertifying Tax Increment Financing (TIF) District #1-22.

REFERENCE AND BACKGROUND

TIF District #1-22 Downtown is a large redevelopment district created in 1997 with the first increment received in 1999. The district included 2004 Taxable General Obligation Tax Increment Bonds, an interfund loan from the EDA General Fund, and two different pay-as-you-go (PAYGO) obligations to two different developers.

MN TIF laws state districts set the maximum duration of redevelopment districts at 25 years after the first year of increment, which would be 2024. However, MN TIF laws also dictate a district must be decertified earlier if all outstanding obligations of the district are satisfied. The final payment on the last outstanding PAYGO obligation was made on February 1, 2023, which was anticipated in the TIF management plan. Therefore, the district must be decertified in 2023.

Any excess increment received will be returned to the County as required. The remaining balance in the district may be spent on qualified housing or redevelopment project costs.

- I. **Budget Impact:** There is minimal impact to the EDA budget in decertifying TIF district #1-22.
- II. **Staff Workload Impact:** Northland Securities will assist staff in filing the appropriate paperwork with Wright County and the State of Minnesota to decertify the district in 2023.
- III. **Comprehensive Plan Impact:** N/A

STAFF RECOMMENDED ACTION

Staff recommends approving a resolution to decertify TIF District #1-22.

SUPPORTING DATA

- Resolution 2023-53

CITY OF MONTICELLO
WRIGHT COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 2023-53

**RESOLUTION APPROVING THE DECERTIFICATION OF TAX INCREMENT FINANCING DISTRICT
NO. 1-22**

BE IT RESOLVED by the City Council of the City of Monticello, Wright County, Minnesota (the "City"), as follows:

Section 1. Recitals.

1.01. By a resolution adopted on March 10, 1997, the City and the Housing and Redevelopment Authority in and for the City of Monticello established Tax Increment Financing District No. 1-22 (the "TIF District"), a redevelopment district located within Central Monticello Redevelopment Project No. 1, and approved a tax increment financing plan for the TIF District, all pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the "TIF Act"). The administration of the TIF District was subsequently transferred to the City of Monticello Economic Development Authority (the "Authority").

1.02. It has been proposed that the City and the Authority decertify the TIF District.

1.03. As of the date hereof, the projects have been completed, all obligations to which tax increment from the TIF District has been pledged have been paid in full or defeased, and the City has determined that it is in the best interests of the City to terminate and decertify the TIF District.

Section 2. Findings for Decertification. Subject to the adoption by the Authority of a resolution approving the decertification on June 28, 2023, the TIF District shall be decertified as of the date hereof. Any remaining increments not eligible for spending, as determined by Authority and City staff, will be returned to Wright County (the "County") for redistribution in accordance with the TIF Act.

Section 3. Direction to City Staff. The Clerk shall provide a certified copy of this resolution to the County Auditor/Treasurer of the County (the "County Auditor") so that the TIF District may be decertified on the books and records of the County Auditor with no further tax increment from the TIF District being remitted to the Authority or the City. Authority and City Staff are authorized and directed to determine the amount of tax increments to be returned to the County for redistribution, if any, and to transmit a copy of this resolution to the County with a request to de-certify the TIF District, it being the intent of the City that no further collection of tax increment from the TIF District will be distributed to the Authority or the City after June 28, 2023.

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:

whereupon said resolution was declared duly passed and adopted.

DRAFT

STATE OF MINNESOTA)
)
COUNTY OF WRIGHT) SS.
)
CITY OF MONTICELLO)

I, the undersigned, being the duly qualified and acting City Clerk of the City of Monticello, Minnesota, do hereby certify that I have carefully compared the attached and foregoing extract of minutes of a regular meeting of the City Council held on June 26, 2023, with the original thereof on file in my office and the same is a full, true and complete transcript therefrom insofar as the same relates to the decertification of Tax Increment Financing District No. 1-22

WITNESS My hand as City Clerk and this 26th day of June, 2023.

City Clerk
City of Monticello, Minnesota