

EXTRACT OF MINUTES OF A MEETING OF THE
CITY COUNCIL OF THE CITY
OF DELANO, MINNESOTA

HELD: July 20, 2010

Pursuant to due call and notice thereof, a regular meeting of the City Council of the City of Delano, Wright County, Minnesota, was duly called and held on the 20th day of July, 2010, at 7:00 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 ESTABLISHING TAX INCREMENT FINANCING
(ECONOMIC DEVELOPMENT) DISTRICT NO. 10 WITHIN
DEVELOPMENT DISTRICT NO. 4 AND APPROVING THE
TAX INCREMENT FINANCING PLAN THEREFOR

WHEREAS:

A. There is a proposal to establish Tax Increment Financing (Economic Development) District No. 10 ("Tax Increment Financing District No. 10") and approve and accept the proposed Tax Increment Financing Plan for Tax Increment Financing District No. 10 under the provisions of Minnesota Statutes, Sections 469.174 to 469.1799 (the "Act"); and

B. The proposed Tax Increment Financing Plan for Tax Increment Financing District No. 10 (the "Tax Increment Financing Plan") has been prepared; and

C. The City of Delano, Minnesota (the "City") has performed all actions required by law to be performed prior to the approval of the Plan, and including, but not limited to, notification of Delano County and Independent School District No. 879 having taxing jurisdiction over the property to be included in Tax Increment Financing District No. 10 and the holding of a public hearing upon published and mailed notice as required by law; and

D. Landscape Structures Inc. (the "Developer") has requested that the City assist with the financing of certain costs in connection with the construction of an approximately 30,000 square foot expansion, to be constructed by the Developer in the City (the "Project"); and

E. The Developer and the City have determined to enter into a Development Agreement providing for the City's assistance for the Project (the "Development Agreement").

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

1. Tax Increment Financing District No. 10. There is hereby established in the City within Development District No. 4 a Tax Increment Financing District, the initial boundaries of which are fixed and determined as described in the Tax Increment Financing Plan.

2. Tax Increment Financing Plan. The Tax Increment Financing Plan is adopted as the tax increment financing plan for Tax Increment Financing District No. 10, and the City Council makes the following findings:

(a) Tax Increment Financing District No. 10 is an economic development district as defined in Minnesota Statutes, Section 469.174, Subd. 20, the specific basis for such determination being that the construction of an approximately 30,000 square foot addition to an existing business will provide space for business expansion, will increase employment in the State, help prevent the emergence of blight and result in the preservation and enhancement of the tax base of the State.

(b) The proposed development in the opinion of the City Council, would not occur solely through private investment within the reasonably foreseeable future. The reasons supporting this finding are that:

(i) The Developer has made a written statement to the City that private investment will not finance these development activities without assistance because of prohibitive costs and the condition of the site. It is necessary to finance these development activities through the use of tax increment financing so that other development by private enterprise will occur within Development District No. 4.

(ii) A comparative analysis of estimated market values both with and without establishment of Tax Increment Financing District No. 10 and the use of tax increments has been performed as described above. Such analysis is found in Exhibit II of the Tax Increment Financing Plan, and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of Tax Increment Financing District No. 10 and the use of tax increments.

(c) In the opinion of the City Council, the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 10 permitted by the Tax Increment Financing Plan. The reasons supporting this finding are that:

(i) The estimated amount by which the market value of the site will increase without the use of tax increment financing is \$0, plus a small amount attributable to appreciation in land value;

(ii) The estimated increase in the market value that will result from the development to be assisted with tax increment financing is \$2,818,000 (from \$187,700 to \$3,005,700); and

(iii) The present value of the projected tax increments for the maximum duration of the district permitted by the tax increment financing plan is \$312,418.

(d) The Tax Increment Financing Plan for Tax Increment Financing District No. 10 conforms to the general plan for development or redevelopment of the City of Delano as a whole. The reasons for supporting this finding are that:

(i) Tax Increment Financing District No. 10 is properly zoned;

(ii) The Planning Commission of the City has determined that the proposed Tax Increment Financing Plan conforms to the general plan for the development or redevelopment of the City as a whole; and

(iii) The Tax Increment Financing Plan will generally compliment and serve to implement policies adopted by the City.

(e) The Tax Increment Financing Plan will afford maximum opportunity, consistent with the sound needs of the City of Delano as a whole, for the development or redevelopment of Development District No. 4 by private enterprise. The reasons supporting this finding are that:

The development activities are necessary so that development and redevelopment by private enterprise can occur within Development District No. 4.

3. Public Purpose. The adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. within Development District No. 4 conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State which is already built up to provide employment opportunities to improve the tax base and to improve the general economy of the State and thereby serves a public purpose.

4. Certification. The Auditor of Delano County is requested to certify the original net tax capacity of Tax Increment Financing District No. 10 as described in Tax Increment Financing Plan, and to certify in each year thereafter the amount by which the original net tax capacity has increased or decreased in accordance with the Act; and the City Administrator is authorized and directed to forthwith transmit this request to the County Auditor in such form and content as the Auditor may specify, together with a list of all properties within Tax Increment Financing District No. 10 for which building permits have been issued during the 18 months immediately preceding the adoption of this Resolution.

5. Filing. The City Administrator is further authorized and directed to file a copy of the Development Program and Tax Increment Financing Plan for Tax Increment Financing District No. 10 with the Commissioner of Revenue.

6. Administration. The administration of Development District No. 4 is assigned to the City Administrator who shall from time to time be granted such powers and duties pursuant to Minnesota Statutes, Sections 469.130 and 469.131 as the City Council may deem appropriate.

7. Approval of Development Agreement. The City Council hereby approves the Development Agreement in substantially the form submitted, and the Mayor and Administrator are hereby authorized and directed to execute the Development Agreement on behalf of the City. The approval hereby given to the Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the Development Agreement. The execution of the Development Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the Development Agreement in accordance with the terms hereof.

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.

STATE OF MINNESOTA
COUNTY OF WRIGHT
CITY OF DELANO

I, the undersigned, being the duly qualified and acting Administrator of the City of Delano, 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 establishment of Tax Increment Financing District No. 10 therein in the City.

WITNESS my hand this ____ day of July, 2010.

City Administrator