

---

---

Master Development District  
of the  
City of Northfield, Minnesota  
Including Incorporation, Consolidation and Amendment of  
Certain Prior Development and Tax Increment  
Districts, Programs and Plans;  
Designation and Amendment of Master Development  
Program for the Master Development District;  
and Incorporation and Amendment of  
the Tax Increment Financing Plans for  
the Existing Tax Increment Financing Districts

June 17, 1991

---

This document was drafted by:	Briggs and Morgan
	2200 First National Bank Bldg.
	Saint Paul, Minnesota 55101
	(612) 291-1215

Establishment of Master Development District and  
Adoption and Amendment of its Master Development  
Program and Incorporation and Amendment of  
Prior City Development and Tax Increment  
Financing Districts, Programs and Plans

Section 1.1. Definitions. The terms defined below, for purposes hereof, shall have the following respective meanings, unless the context specifically requires otherwise. The term "development" includes redevelopment, and the term "developing" includes redeveloping.

"City" means the City of Northfield, Minnesota.

"Council" means the City Council of the City, its governing body.

"Development Districts" means those certain Development District Nos. 1 through 10 of the City (as further described in the attached Exhibit A), as the same may have been amended prior to the date hereof.

"Development Programs" means those certain Development Programs adopted and approved by the City for the Development Districts, respectively, as the same may have been amended prior to the date hereof.

"Enabling Act" means Minnesota Statutes, Sections 469.124 through 469.134 (and including the predecessor provisions of Minnesota Statutes, Chapter 472A), as the same may be amended or supplemented.

"Master Development District" means the Master Development District established hereby, including without limitation the areas of the City encompassed therein, and initially comprised of all of the areas within the Development Districts, as said Master Development District may in the future be amended. The Master Development District is depicted on the attached Exhibit B.

"Master Development Program" means the program adopted hereby for the development of the Master Development District, constituting initially of a consolidation and an incorporation of all of the goals, objectives, activities and development costs of each of the Development Programs, as said Master Development Program is amended hereby and as the same may in the future be amended.

"Prior Plans" means all of the Development Districts, Development Programs, Tax Increment Districts, Tax Increment Plans and all of the actions, proceedings and

documentation related to the implementation or furtherance thereof.

"State" means the State of Minnesota.

"Tax Increment District" means any tax increment financing district established pursuant to the Tax Increment Act and heretofore included within any of the Development Districts or hereafter included within the Master Development District, including particularly the eight Tax Increment Districts heretofore established within the Development Districts, respectively (as further described in the attached Exhibit A), which are being incorporated hereby into the Master Development District, as the same may have been or may be amended.

"Tax Increment Act" means the Minnesota Tax Increment Financing Act, presently codified as Minnesota Statutes, Sections 469.174 through 469.179 (and including the predecessor provisions of Minnesota Statutes, Sections 273.71 through 273.78), as the same may be amended.

"Tax Increment Plans" means the respective tax increment financing plans adopted pursuant to the Tax Increment Act for the Tax Increment Districts, respectively, as the same may have been or may be amended.

Section 1.2. Background and Purposes. The City established the Development Districts and adopted their respective Development Programs pursuant to the Enabling Act, the Minnesota Municipal Development District Act, now codified in Minnesota Statutes, Sections 469.124 through 469.134, and established the Tax Increment Districts within the Development Districts, respectively, pursuant to the Tax Increment Act.

In establishing the Master Development District and adopting and amending the Master Development Program it is the City's purpose, consistent with the stated purposes of the Council, to further consolidate the City's development areas, goals, objectives, development costs and activities to the fullest extent permitted by the Enabling Act, the Tax Increment Act and other applicable law. The Council finds that through such consolidation the necessary development of the City can be accomplished more consistently, efficiently and economically. To this end, every prior amendment of the Development Districts and the Development Programs, and every amendment of the Master Development District or the Master Development Program have been, are intended to be and shall be amendments of the respective project areas and development plans for the individual development projects now consolidated within the Master Development District.

The Prior Plans are hereby incorporated herein to the same extent as if set forth in full herein. The Council hereby ratifies, restates and reaffirms the various respective findings and determinations required or appropriate in connection with the establishment, approval and/or amendment of the Prior Plans, respectively, including without limitation the development goals and activities identified therein, the need for the Tax Increment Districts and the uses of such revenues as may be derived thereby.

Section 1.3. Consolidation of the Development Districts into Master Development District. Each of the Development Districts is hereby enlarged to include each of the other Development Districts, to the effect that each of said areas shall be and hereby is expanded to include all of the others and that the resulting enlarged, integrated and unified development area, as the same may hereinafter or hereafter be modified, shall be (and is hereby designated) the City's Master Development District, depicted on the attached Exhibit B. Any further enlargement or reduction of the Master Development District made hereinafter or hereafter shall likewise constitute and be deemed to be an enlargement or reduction, as the case may be, of each of the Development Districts.

The Council finds that the Master Development District, as so established hereby, together with the goals and objectives which the City seeks to accomplish or encourage with respect to such property, constitutes without limitation a "development district" within the meaning of Minnesota Statutes, Section 469.125, Subdivision 9.

The Tax Increment Districts are hereby fully incorporated within and made a part of the Master Development District and the Master Development Program to the same extent as though originally established and approved therein by the City.

Section 1.4. Amendment and Integration of the Development Program: Master Development Program. Each of the Development Programs and Tax Increment Plans is hereby amended to include the goals, objectives, activities and development costs identified in each of the other Development Programs and Tax Increment Plans; it being the intent and effect of the foregoing that each of said programs and plans shall be and hereby is amended to include all of the others and that the same be merged into a single, unified development program for the Master Development District, hereby designated as the Master Development Program. Any amendment to the Master Development Program made hereinafter or hereafter shall constitute and be deemed to be an amendment of each of the Development Programs, respectively. The Council hereby finds that the Master Development Program, as established and amended pursuant hereto, constitutes a "development program" within the meaning of Minnesota Statutes, Section 469.125, Subdivision 3.

Section 1.5. Amendment of Master Development Program. The Master Development Program is hereby amended by including the following estimated and additional public improvement and development costs to be made or incurred within the Master Development District and financed in whole or in part by tax increment or other revenues of the City:

Downtown Building	Restoration,	Renovation	and
Rehabilitation	(Including	Revolving	
L o a n s )	\$ 5 0 0 ,	0 0 0	

Downtown Public Improvements, Including Parking Lots/Structures; Lighting, Signage and Landscaping; Pedestrian Walkways/Treatments; Utilities, Streets and Similar Public Infrastructure Installations; Property Acquisition and Improvement; Cannon River Corridor Improvements; and Related Development Activities	1,750,000
--	-----------

Redevelopment Activities, Including Property Acquisition and Improvement; Demolition and Clearance; Relocation; and Public Infrastructures	2,750,000
---	-----------

Industrial/Commercial Improvements, New or Existing, Including Property Acquisition and Improvement and Public Infrastructures	750,000
---	---------

Administrative and Contingency	\$ <u>250,000</u>
--------------------------------	-------------------

Total Principal Amount of Additional  
Development Costs and Maximum  
Principal Amount of Additional Bonded  
Indebtedness (Development Costs  
Would also Include Interest on

*Downtown 8% (bans)*  
*Dwn. publk 29%*  
*Dwn. rehab. 46%*  
*Hwy/ind. 13%*  
*Admin. 4%*

itemized above, the City intends to pay it (and there are hereby incorporated into Program) such qualifying

- be permitted by but subject to the
- ided in the Tax Increment Act. The addition to reflecting new costs, the estimated costs and uses Development Program for Development bed Tax Increment Plans. All costs Development Program hereby are re allocation of their uses, being ons and goals. Precise expenditure

amounts and allocations thereof to particular authorized uses will necessarily reflect and be dependent upon the implementation over time of the Master Development Program and the particular projects which may be assisted thereunder. The foregoing estimates of Master Development Program costs are also intended and confirmed as principal costs, with such items as financing and bonding costs (including issuance expenses, interest on indebtedness and capitalized interest) being additional development costs of the Master Development Program necessitated by and appropriate with respect to the primary costs to be so financed.

Section 1.6. Amendment of Existing Tax Increment Plans. The Tax Increment Plans for the existing Tax Increment Districts are hereby amended to incorporate the additional public development costs, programs, goals and activities incorporated into the Master Development Program pursuant hereto, including without limitation all of the development costs identified in the Development Programs, respectively, and those additional costs described in Section 1.5 above.

Section 1.7. Limitations. In addition to such limitations imposed by applicable law, and except to the extent that the provisions of this Section 1.7 may hereafter be duly amended by the City, the following limitations shall apply with respect to the expenditure of tax increment from the Tax Increment Districts:

(a) Tax increment derived from the Tax Increment Districts within Development District No. 4 (Downtown) shall not be expended outside the boundaries of said Development District.

(b) The amount of tax increment from each Tax Increment District located outside of Development District No. 4 which may be expended for development costs and activities within Development District No. 4 shall not exceed 35% of the total amount of tax increment generated from such Tax Increment District.

## Exhibit A

### Prior Development Districts, Development Programs and Tax Increment Financing Districts and Plans of the City of Northfield

1. Development District No. 1 (Computer Controlled Machines) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 84-283, adopted on September 4, 1984. Pursuant to City Council Resolution No. 84-284, also adopted on September 4, 1984, the City approved the establishment within this Development District of "Tax Increment Financing Economic Development District No. 1" and approved and adopted the related tax increment financing plan.

2. Development District No. 2 (Cardinal Glass) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 85-209, adopted on May 20, 1985. Pursuant to City Council Resolution No. 85-210, also adopted on May 20, 1985, the City approved the establishment within this Development District of "Tax Increment Financing Economic Development District No. 2" and approved and adopted the related tax increment financing plan.

3. Development District No. 3 (Malt--O-Meal) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 85-363, adopted on November 4, 1985. Pursuant to City Council Resolution No. 85-364, also adopted on November 4, 1985, the City approved the establishment within this Development District of "Tax Increment Financing Economic Development District No. 3" and approved and adopted the related tax increment financing plan.

4. Development District No. 4 (Downtown) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 86-96, adopted on March 17, 1986. Pursuant to City Council Resolution No. 86-97, also adopted on March 17, 1986, the City approved the establishment within this Development District of "Tax Increment Financing Redevelopment District Nos. 1 and 2" and approved and adopted the related tax increment financing plans.

5. Development District No. 5 (D&P Chevrolet) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 86-295, adopted on September 15, 1986. Pursuant to City Council Resolution No. 86-296, also adopted on September 15, 1986, the City approved the establishment within this Development District of "Tax Increment Financing Economic Development District No. 5" and approved and adopted the related tax increment financing plan.

6. Development District No. 6 (College City Beverage) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 87-342, adopted on September 21, 1987. Pursuant to City Council Resolution No. 87-343, also adopted on September 21, 1987, the City approved the establishment within this Development District of "Tax Increment Financing Economic Development District No. 6" and approved and adopted the related tax increment financing plan.

7. Development District No. 7 (Northfield Publishing Company) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 89-69 , adopted on March 6, 1989. By the same Resolution, the City also approved the establishment within this Development District of "Tax Increment Financing District No. 1" and approved and adopted the related tax increment financing plan.

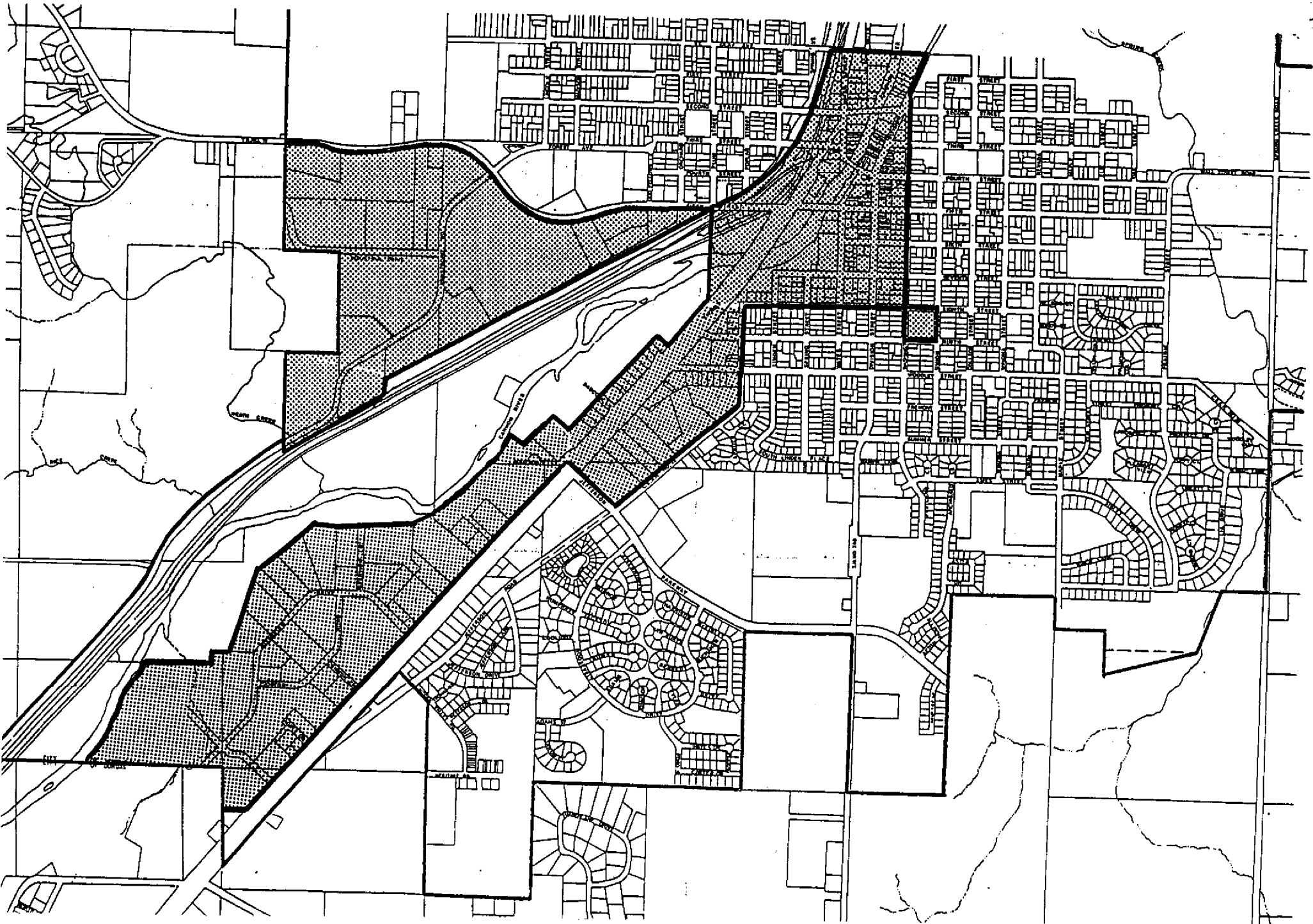
8. Development District No. 8 (Cemstone) was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 90- 97, adopted on April 16, 1990. By the same Resolution, the City also approved the establishment within this Development District of "Tax Increment Financing District No. 1" and approved and adopted the related tax increment financing plan.

9. Development District No. 9 was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 90- 98 , adopted on April 16, 1990. No tax increment financing district has been established within Development District No. 9.

10. Development District No. 10 was established, and its Development Program was adopted, by the City pursuant to City Council Resolution No. 90- 99 , adopted on April 16, 1990. No tax increment financing district has been established within Development District No. 10.



EXHIBIT "B"  
CITY OF NORTHFIELD MASTER DEVELOPMENT DISTRICT



CITY OF NORTHFIELD  
COUNTY OF RICE  
STATE OF MINNESOTA

RESOLUTION NO. 91-201

RESOLUTION APPROVING DEVELOPMENT DISTRICT AND TAX  
INCREMENT FINANCING DISTRICT PLANS

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

Section 1. Recitals.

1.01. It has been proposed that the City (1) enlarge each of its Development District Nos. 1 through 10 (the "Development Districts") to include the areas of all the other Development Districts, thereby consolidating all of the Development Districts and designating the resulting unified development area as the City's Master Development District; (2) amend the Development Program for each of the Development Districts to include all of the goals, objectives, activities and development costs associated with all of the other Development Programs and consolidate the same to constitute the overall, unified development program, to be designated the Master Development Program, for the Master Development District; (3) amend the Master Development Program to include additional goals, objectives, activities and development costs for the Master Development District; and (4) incorporate within the Master Development District each of the tax increment financing districts heretofore established by the City within the Development Districts and amend each of their tax increment financing plans to incorporate all of the goals, objectives, activities and development costs of the Master Development Program, as so created and amended; all pursuant to Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.179 (collectively, the "Plans"), all as reflected in the Master Development District document, dated June 17, 1991, and presented for the Council's consideration.

1.02. The Council has investigated the facts relating to the Plans.

1.03. The City has performed all actions required by law to be performed prior to the adoption and approval of the Plans, including, but not limited to, 30 days' prior notification of the County and School Boards, a review by the City Planning Commission

of the Plans, and the holding of a public hearing thereon following published notice as required bylaw.

Section 2. Findings for the Adoption and Approval of the Plans.

2.01. *The Council hereby finds that the Plans are in the public interest, in, part because they have resulted and will continue to result in increased employment in the City and in the preservation and enhancement of the City's tax base.*

2.02. The Council further finds that the proposed and anticipated development of the Master Development District would not occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary; that the Plans conform to the general plan for the development or redevelopment of the City as a whole because the Master Development District is, in general, properly zoned for the intended uses, and the anticipated development is in furtherance of long range plans of the City for those areas; and that the Plans will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Master Development District by private enterprise because they will enable the City to provide and finance suitable and necessary public inducements.

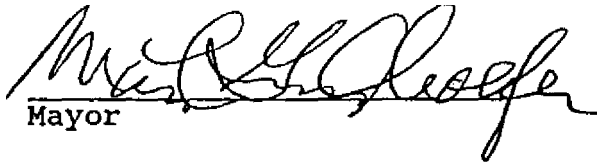
2.03. The Council further finds that the Plans are intended and in the judgment of the Council their effect will be to promote the public purposes and accomplish the objectives specified in the Tax Increment Financing Plans and in the Master Development Program for the Master Development District, which are all consistent with the efforts already made for the development of the subject areas. Furthermore, the Council hereby makes, ratifies, restates, and confirms the determinations and findings made or required to be made in connection with the approval of each of the original Development Districts, their Development Programs, and the Tax Increment Financing Districts therein and the related Tax Increment Financing Plans. The Council further finds that the bases and written justifications for such findings, and for the findings and determinations made in this Resolution, include (a) all of the prior Development District plans, findings, and determinations, and all actions taken by the City or the Council in furtherance thereof, all of which are hereby incorporated into this Resolution by reference with the same force and effect as if set forth in full herein; and (b) the consistent and continuous efforts of the City and the Council over the years in establishing, modifying, and improving the original Development Districts, including the downtown, other commercial, and industrial elements thereof, which have in part been undertaken in furtherance of the planning and zoning integrity of the City, the perceived need for public

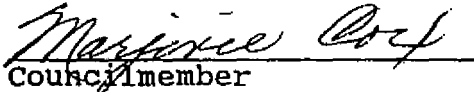
development assistance in appropriate cases, and the practical awareness that such assistance has been and will be required due to the difficulty and expense of true redevelopment and the need to provide suitable and competitive inducements for development of the City within the Master Development District which conform to planning standards, project-type and quality criteria, and in view of the various options available to developers of desirable projects from other localities and states. The Council further finds that the areas comprising the Master Development District have been identified and are appropriate for possible development activity and the expenditure of public funds in furtherance thereof, as deemed desirable by the Council on a case by case basis, and the consolidation of the Development Districts into the Master Development District and the approval of the Plans generally will enable the City, should the Council so determine, to achieve the goals and objectives of the Master Development Plan and to do so more economically.

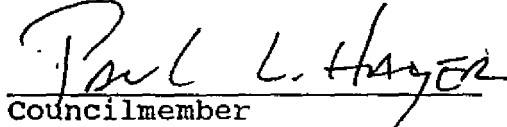
### Section 3. Approval and Adoption of the Plans.

3.01. The Plans, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, are hereby approved, ratified, established, and adopted and shall be placed on file in the office of the City Clerk/Finance Director.

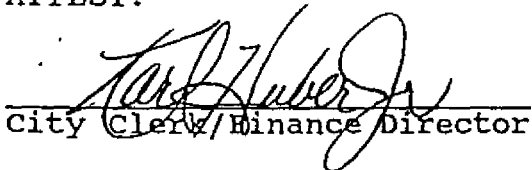
Adopted this 17th day of June, 1991, by the Northfield City Council.

  
Mayor

  
Councilmember

  
Councilmember

ATTEST:

  
City Clerk/Finance Director

Councilmember Cox introduced the foregoing resolution, which was either read in full or the reading thereof was waived by unanimous consent of the Council. The motion for the adoption of the foregoing resolution was duly seconded by Councilmember Hager, and upon vote being taken thereon, the following voted in favor thereof:

Mayor Grundhoefer, Councilmembers Thurston, Cox, Olsen, Hager, Prowe

and the following voted against the same:

RESOLUTION #91-<sup>18</sup>

RESOLUTION OF THE NORTHFIELD PLANNING COMMISSION CONCERNING  
THE CITY'S DEVELOPMENT DISTRICT AND TAX INCREMENT FINANCING  
P R O P O S A L S


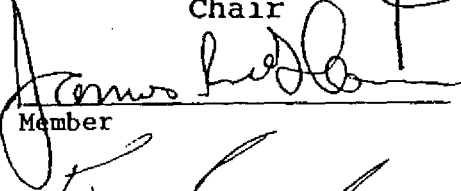

WHEREAS, it has been proposed that the City of Northfield (1) enlarge each of its Development District Nos. 1 through 10 (the "Development Districts") to include the areas of all the other Development Districts, thereby consolidating all of the Development Districts and designating the resulting unified development area as the City's Master Development District; (2) amend the Development Program for each of the Development Districts to include all of the goals, objectives, activities and development costs associated with all of the other Development Programs and consolidate the same to constitute the overall, unified development program, to be designated the Master Development Program, for the Master Development District; (3) amend the Master Development Program to include additional goals, objectives, activities and development costs for the Master Development District; and (4) incorporate within the Master Development District each of the tax increment financing districts heretofore established by the City within the Development Districts and amend each of their tax increment financing plans to incorporate all of the goals, objectives, activities and development costs of the Master Development Program, as so created and amended; all pursuant to Minnesota Statutes, Sections 469.124 to 469.134 and Sections 469.174 to 469.179 (collectively, the "Plans"); and

WHEREAS, the Plans have been submitted to the Northfield Planning Commission (the "Commission"); and

WHEREAS, the Commission has reviewed the Plans to determine the consistency of the Plans with the Comprehensive Plan of the City:

NOW, THEREFORE, BE IT RESOLVED by the Northfield Planning Commission that the Plans are consistent with the Northfield Comprehensive Plan and the Commission recommends approval of the Plans to the Northfield City Council.

Adopted June 10 \_\_\_\_\_, 1991.

  
Chair  
  
Member  
  
Member

## MASTER DEVELOPMENT (TIF) DISTRICT PLAN

This combined tax increment financing (TIF) district allows tax increments to be spent anywhere within the district on eligible expenditures. The city's policy regarding the Plan's \$6.0 million expenditure budget can be summarized as follows:

1. Approximately 30 percent (\$1,750,000) of the expenditures should be used for general downtown public improvements (i.e., streets, sidewalks, parking lots, lighting, etc.).
2. Approximately 12 percent (\$750,000) of the expenditures should be used for public improvements associated with private redevelopment activities (utility relocation, streets, etc.).
3. Approximately 33 percent (\$2,000,000) of the expenditures should be used for private redevelopment activities (i.e., acquisition, demolition, relocation, etc.).
4. Approximately 8 percent (\$500,000) of the expenditures should be used for a downtown revolving loan fund (i.e., building renovations, additions, etc.).
5. Approximately 13 percent (\$750,000) of the expenditures should be used for industrial development and other commercial development outside of the downtown area.
6. Approximately 4 percent (\$250,000) of the expenditures should be used for general administration and contingencies.
7. These expenditures are associated with all hard costs, which do not include capitalized interest, amortized interest, bond issuance costs, etc. If the two proposed projects (hotel and grocery store) are taken as an example, then approximately \$1.5 million would be spent against the \$2.0 million expenditure budget. The grocery store project would be about \$550,000 of that total.
8. Much of this expenditure budget (approx. 1/2) is based upon new tax increments being generated from new redevelopment projects that increase the districts taxable valuation. If that does not occur, then many of the budget activities will not be assisted by this source of financing.
9. The Master Development District Plan indicated that the proposed \$6.0 million budget would "incorporate and expand upon" the expenditures identified in the original Development District #4 Plan. That budget was for \$2.5 million, which results in an overall expenditure budget (through the year 2010) of \$8.5 million.

EXHIBIT "A"  
CITY OF NORTHFIELD  
MASTER DEVELOPMENT DISTRICT

KEY

TAX INCREMENT  
FINANCING DISTRICT



MASTER DEVELOPMENT DISTRICT  
(FORMERLY MUNICIPAL DEVELOPMENT DISTRICT)



AREA TO BE INCLUDED  
IN MASTER DEVELOPMENT  
DISTRICT

