

CITY OF NORTHFIELD
COUNTIES OF DAKOTA AND RICE
STATE OF MINNESOTA

RESOLUTION NO. 2021-125

RESOLUTION DESIGNATING A CERTAIN BUILDING AS STRUCTURALLY
SUBSTANDARD

WHEREAS, under Minnesota Statutes, Section 469.174, Subd. 10(d), the City of Northfield, Minnesota (the “City”) is authorized to deem parcels as occupied by structurally substandard buildings despite prior demolition or removal of the building subject to certain terms and conditions as described in this resolution; and

WHEREAS, the City intends to cause demolition of a building located on certain property in the City identified in **Exhibit A** attached hereto (collectively, the “Designated Property”), and may in the future include the Designated Property in one or more redevelopment tax increment financing district as defined in Minnesota Statutes, Sections 469.174, Subd. 10.

NOW THEREFORE, BE IT RESOLVED by the City Council (the “Council”) of the City of Northfield, Minnesota, as follows:

1. The Council has received from LHB, Inc. the “Report of Inspection Procedures and Results for Determining Qualifications of a Tax Increment Financing District as a Redevelopment District - Archer House Redevelopment TIF District - Northfield, Minnesota,” dated March 2, 2021 (the “Inspection Report”), finding that, based on an inspection of the building located on the Designated Property, the sole building located thereon was determined to be substandard under the definition set forth in the Minnesota Statutes, Section 469.174, Subd. 10 (the “Substandard Building”).

2. Based on the Inspection Report and other information available to the Council, the Council finds that: (a) the building located on the Designated Property is structurally substandard within the meaning of Minnesota Statutes, Section 469.174, Subd. 10(b), since it contains defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance; (b) that the building located on the Designated Property is not in compliance with the building code applicable to new buildings and could not be modified to satisfy the building code at a cost of less than 15% of the cost of constructing a new structure of the same square footage and type on the Designated Property; and (c) more than 15% of the area of each of the tax parcels included in the Designated Property contains buildings, streets, utilities, paved or gravel parking lots, or similar structures. The reasons and supporting facts for this determination are included in, and the Council has relied on the finding set forth in, the Inspection Report.

3. After the date of approval of this resolution, the Substandard Building may be demolished or removed by the City, or such demolition or removal may be financed by the City, or may be undertaken by a developer under a demolition and development agreement between the developer and the City.

4. After the demolition and removal of the Substandard Building on the Designated Property the City intends to include the Designated Property in one or more redevelopment tax increment financing districts (a "TIF District") pursuant to Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the "TIF Act"), and to file the request for certification of such district with the Rice County auditor within 3 years after the date the Substandard Building is demolished.

5. Upon filing the request for certification of a new TIF District, the City will notify the Rice County auditor that the original tax capacity of the Designated Property must be adjusted to reflect the greater of (a) the current net tax capacity of the Designated Property, or (b) the estimated market value of the Designated Property for the year in which the Substandard Building was demolished or removed, but applying class rates for the current year, all in accordance with Section 469.174, Subd. 10(d) of the TIF Act.

6. City staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

7. The City hereby approves that certain demolition and development agreement with the owner of the Designated Property in connection with the demolition of the Substandard Building (the "Demolition and Development Agreement") substantially in accordance with the form on file with the City Administrator, together with any related documents necessary in connection therewith, and hereby authorizes the Mayor and City Clerk to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Demolition and Development Agreement and related documents on behalf of the City, and to carry out, on behalf of the City, the City's obligations thereunder when all conditions precedent thereto have been satisfied.

8. The approval hereby given to the Demolition and Development Agreement and related documents 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 legal counsel to the City and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Demolition and Development Agreement and related documents shall not be effective until the date of execution thereof as provided herein.

9. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act in their behalf. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Demolition and Development Agreement and related documents when all conditions precedent thereto have been satisfied.

10. The City authorizes expenditure of available tax increments and other available funds, in such amounts as determined necessary for such purpose by the City's Finance Director, to pay the costs of such demolition or removal, administrative costs associated with the establishment of the TIF District, including without limitation the preparation of the Inspection Report, legal fees, and the fees of the City's tax increment financing consultant, and certain other costs incurred in connection with the proposed development of the TIF District in an amount to be set forth in writing by the City's Finance Director (the "Costs Advances") on a temporary basis from the City's General Fund or any other fund from which such advances, from time to time, may be legally made (the "Fund") as an interfund loan pursuant to Minnesota Statutes, Section 469.178, Subd. 7. The terms of the interfund loan, including the principal amount, interest to accrue thereon and maturity date shall be as the Finance Director may specify in writing; provided that interest at a rate which is not greater than the greater of the rates specified under Sections 270C.40 or 549.09.

Approved by the City Council of the City of Northfield this 7th day of December, 2021.

Mayor

ATTEST:

City Clerk

VOTE: ___ POWNELL ___ GRABAU ___ NAKASIAN ___ NESS
 ___ PETERSON WHITE ___ REISTER ___ ZUCCOLOTTO

EXHIBIT A
DESIGNATED PROPERTIES

The Designated Property consists of two tax parcels located in the City at 212 Division Street consisting of PID#s 22.31.3.50.024 and 22.31.3.50.025 on which the Archer House is located