



City of
BRAHAM

"Building A Better Tomorrow"

201 Broadway Avenue South
PO Box 521
Braham, MN 55006
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**Planning Commission Meeting
March 16, 2023, 4:30 pm
Braham City Hall Council Chambers**

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Approve Resolution 23-17 relating to the sale of property in the city's Industrial Park
4. Approve Resolution 23-18 relating to the formation of TIF District No. 2-11 in the city's Industrial Park
5. Adjourn



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Discussion on city owned lots in Industrial Park

Meeting: March 16, 2023

Prepared by: Rachel Kytonen, City Administrator

Background

The city has received a request from East Central Energy to purchase Lots 3, 4, 5 and 6 in the Braham Industrial Park (PIDs 20.00210.00; 20.00215.00; 20.00220.00; 20.00225.00). East Central Energy was awarded \$15 million in broadband grants in December and this development will be used for them to support their broadband business.

Lot 3, in Block 1 of the Braham Industrial Park is 3.51 acres; Lot 4 is 1.54 acres; Lot 5 is 1.41 acres; and Lot 6 is 3.49 acres. Lot 6 is the city's compost site, and the compost site will close with the sale of this property.

East Central Energy is proposing to build a 25,000 square foot building. Approximately 20,000 square feet will be used for warehousing and storage while 5,000 square feet will be used for office space. East Central Energy estimates 20 to 30 jobs will be created with this development.

The existing land use map in the Comprehensive Plan passed on Aug. 4, 1997 shows the property zoned General Business - Industrial District (GB-I).

In the (I-1) Limited Industrial District Section 154.147 Permitted Uses include (I) Warehousing, wholesaling, and distribution operations. In the General Business Industrial District (GB-1) Section 154.197 Permitted Uses include (B) All permitted uses allowed in a (I-1) Limited Industrial District.

The city attorney needs the Planning Commission to meet and verify that any land sold by the city meets the current comprehensive plan. From a city perspective, the purchase of Lots 3, 4, 5 and 6 by East Central Energy will meet the intent of the comprehensive plan.

There is Resolution 23-17 before the Planning Commission for adoption. This resolution needs to be approved before the sale of this property can proceed. Resolution 23-18 is also before the Planning Commission. This resolution allows the city to create Tax Increment Financing District 2-11.

How does a TIF District work?

When a TIF District is created, a base valuation of the property in that area is established. All taxing authorities continue to receive tax revenue from the base valuation. Taxes from increases in assessed value go to the TIF account and pay debt or other financial obligations necessary to complete the

development project. After the obligations are met, the TIF District closes, and all taxing authorities benefit from the new, higher valuation.

Length of District

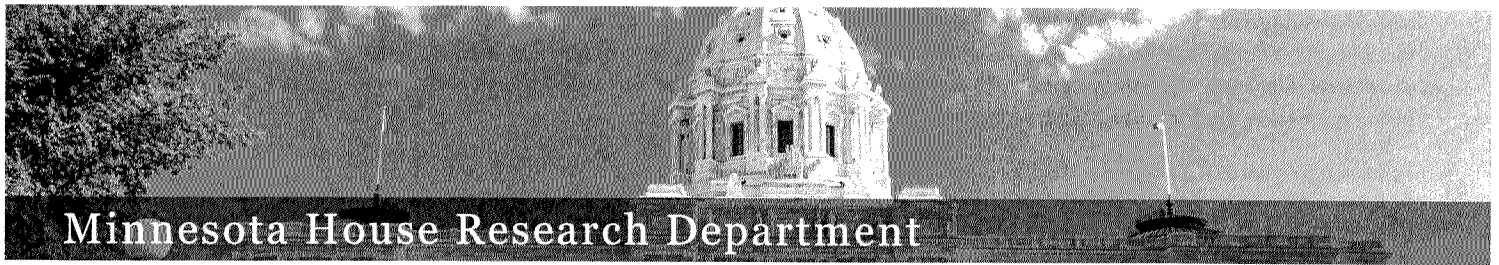
State law permits increments to be collected for eight years after the receipt of the first increment. Minn. Stat. § 469.176, subd. 1b (4). Thus, counting the first year of increment, nine years of increment may be collected. Waiver or declining to accept increments has no effect on the duration limit; the waived increments are treated as received for purposes of the duration limit.

After the City collects its TIF reimbursement, the TIF district will be decertified, and the full value of the improvements made to the property will come onto the tax rolls. This increases Braham's tax base.

Please see more information on TIF from the handout from the Minnesota House Research Department.

The next steps in the process will be before the City Council during their special City Council meeting on March 28.

Proposed Action: Approve Resolution 23-17 and Resolution 23-18 as presented.



Please note, Minnesota House Research Department staff are best contacted by email (which can be found in the [staff directory](#)).

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How TIF Works: Basic Mechanics

What is the primary purpose of TIF?

Tax increment financing (TIF) is a method of financing real estate development costs—i.e.:

1. to encourage developers to construct buildings or other private improvements, or
2. to pay for public improvements, such as streets, sidewalks, sewer and water, and similar improvements.

What is the source of the financing?

TIF uses the additional property taxes paid as a result of development in the district to pay for part of the development costs. When a new building is constructed, the market value of the property and its property taxes typically rise. Classic examples would be building a new store on an undeveloped parcel or replacing one or more old buildings with a new, larger building. In both of these instances, the market value of the property will rise because the improvements add value to the parcel.

How do the mechanics of TIF work?

When a TIF district is created, the county auditor certifies the current tax capacity of the properties in the district as the TIF district's "**original tax capacity**." As the property in the district increases in value, these increases above the original tax capacity are "captured." The law refers to this amount as the district's "**captured tax capacity**."

When a TIF district is created, the county auditor also certifies an "**original tax rate**." The original tax rate is total property tax rate that applies in the district, i.e., the tax rates imposed by all of the local governments that levy taxes (the city/town, county, school district, and special taxing districts).

The "**tax increment or increment**" for the district is determined by multiplying the original tax rate by the captured tax capacity. This roughly equals the taxes paid by the captured tax capacity or the increase in taxes that occur as a result of the development.

What are the typical uses of TIF?

TIF traditionally was used as a means of redeveloping urban areas that had old or worn-out buildings in need of replacement or rehabilitation. It was initiated as a tool to help with urban renewal (redeveloping "slums" and "blighted" areas). Its use has spread to other purposes. TIF in Minnesota is generally used to:

- Redevelop areas occupied with substandard buildings
- Build housing for low-income and moderate-income families
- Clean up pollution
- Provide general economic development incentives
- Finance public infrastructure, such as streets, sewer, water, sidewalks, and similar improvements. (This is not an explicit purposes of TIF, but Minnesota cities frequently use it for this purpose.)

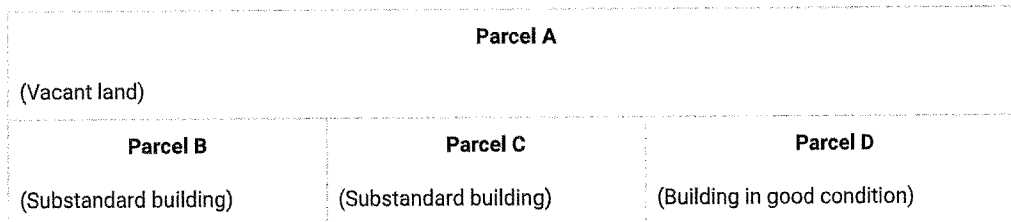
What is an example of how TIF is used?

Developer is considering building an office building. The city would like to redevelop a site that consists of three parcels of property (parcels A, B, and C in the figure below). Parcel A is vacant and Parcels B and C contain substandard commercial buildings. Parcel D contains a building in good shape. Construction of the office building will require demolition of the two buildings, new utilities (sewer and water), and closing an alley. The cost of acquiring the property, demolishing the substandard buildings, and putting in the utility and

alley improvements is \$1.5 million. However, Developer could obtain a comparable site elsewhere in the area for \$500,000, including special assessments for utilities. The three parcels have a tax capacity of \$24,000 and pay \$33,600 a year in property taxes (at a 1.4 rate). But if Developer builds the planned \$5 million office building, the tax will rise to \$304,000 per year (an increase of \$280,000).

To induce Developer to build on the site, the city designates a project area and creates a TIF district that includes the development site. The district consists of parcels A, B, C, and D (the shaded area). (Parcel D must be included to permit the site to qualify as a redevelopment district under state law.) The district is illustrated in the figure. The city agrees with Developer to acquire the site, demolish the substandard buildings, and put in the utility improvements and vacate the alley. The city, in turn, sells the site to Developer for its market value of \$500,000. This is commonly called "writing down" the cost of the land. The city's \$1.5 million cost is "written down" to \$500,000. (The city could write it down to zero—in effect, giving the land to Developer.) The computation of the increment is shown in the table. The "project area" is the area in which increment may be spent (e.g., if some of the sewer and water improvements may actually be outside of the district). The extent to which this may be done is restricted by the rules on "pooling."

**Project Area
TIF District**



Computation of Tax Increment

Parcel	Original Tax Capacity	Post Development Tax Capacity	Captured Tax Capacity
A	\$18,000	\$224,000	\$200,000
B	\$3,000		
C	\$3,000		
D	\$124,000	\$124,000	0
Total	\$148,000	\$348,000	\$200,000
Tax Rate	1.4		
Tax Increment	\$280,000 (tax rate x captured tax capacity)		

Does the increment equal the full taxes paid by the captured value?

In Minnesota this is frequently not the case. The original tax rate limits increment to the taxes generated by the tax rates in effect when the district was created. Thus, if the local governments increase their tax rates (e.g., to increase revenues or because of changes in the tax base), the increased rates do not yield more increment. Furthermore, in the Twin Cities metropolitan area and in the taconite tax relief area, increment may be reduce by the fiscal disparities contribution for the district's properties, if the city elects that option.

Does TIF capture value increases from inflation or general market effects, as well as those attributable to new improvements?

Yes, the mechanics of TIF capture all of the increase in value of the district. Thus, increments may be attributable to:

- Construction of improvements
- Overall inflation in property values unrelated to development

- Market effects that are attributable to the TIF development, if the properties are in the TIF district. (Proximity to a new development, in many cases, will increase the value of surrounding properties.)
- Market effects that are unrelated to the TIF development, if the properties are in the TIF districts. (Market values in areas around TIF districts may increase and these increases may be caused by factors, such as shifts in locational values or tastes, other than the TIF development. For example, some researchers have observed the tendency of cities to put TIF districts in areas that are already experiencing rising property values.)

What types of developments are not good candidates for TIF assistance?

TIF works because developments frequently increase taxable market values. For developments that do not significantly increase taxable market value, TIF will not generate enough revenues to use to help finance the development. This presents problems for:

- **Developments that do not increase the intensity of land uses or that decrease the intensity of land use.** For example, TIF works if the development replaces an apartment building with a large office building or single family homes with large apartment buildings. But it does not work well if one wishes to replace a deteriorated apartment building with single family homes.
- **Tax-exempt developments (e.g., nonprofits or government buildings).** Since these properties are exempt from property taxes, they do not generate increments and, thus, cannot be financed with increments, unless increments are taken from other developments.

What are other limitations to using TIF as a financing method?

Development costs must be paid "up-front" or at the very beginning of the development, but the increased property taxes (increments) are not paid until later and, then, only in modest amounts (relative to the development costs) spread over many years. This creates an imbalance or mismatch between costs and revenues. TIF traditionally overcomes this mismatch by issuing bonds. These bonds pay for:

1. Development cost (e.g., site acquisition),
2. Interest on the bonds until increments are received. The need to pay these interest costs on borrowing, pending receipt of increments is commonly referred to as **capitalizing interest**. The need to capitalize interest means that increment flows must be larger to pay off this component of the cost.

Before 1986, municipal bonds were routinely used as part of TIF financing. These bonds were usually tax exempt, providing a lower interest rate to the city and the developers. The 1986 tax reform made it more difficult to issue tax-exempt bonds for this purpose. This took away much of the incentive for the local governments to borrow in anticipation of receipt of tax increments. The practice in Minnesota now often does not use bonds, but instead expects developers to pay the costs and to be reimbursed as increments become available. This approach (called "**pay-as-you go**" financing) shifts the "capitalized interest" costs to the developers. In some cases, the city or development authority absorbs the cost by advancing its money (e.g., from another city or authority fund) until it can be reimbursed with the increments. If the city accepts lower or no interest on these advances, it is using these funds to assist or subsidize the development.

November 2009



BRAHAM INDUSTRIAL PARK

INDUSTRIAL LOTS AVAILABLE

Quail Street	AVAILABLE 3.49 ACRES Lot 6 20.00225.00	AVAILABLE 1.41 ACRES Lot 5 20.00220.00	AVAILABLE 1.54 ACRES Lot 4 20.00215.00	AVAILABLE 3.51 ACRES Lot 3 20.00210.00
	AVAILABLE 2.99 ACRES Lot 9 20.00240.00	SOLD 20.00235.00	20.00230.00	20.00205.00 CREMATORY
	AVAILABLE 1.14 ACRES Lot 10 20.00245.00	SOLD CARLSON AUCTION SERVICES	DIVERSIFIED BRONZE	DIVERSIFIED BRONZE 20.00200.00 LEAF'S TOWING
	Kanabec County Road 4			
Highway 107				

Lot Prices: \$30,000 per lot

Site Highlights:

- ◇ 70 miles north of Twin Cities
- ◇ 13 miles west of I-35
- ◇ 2 miles east of Hwy. 65 and west of Hwy. 107
- ◇ High-speed internet available
- ◇ 3-phase electric on-site
- ◇ Within 15 miles of Anoka-Ramsey College
- ◇ Within 15 miles Pine Technical College
- ◇ Tax increment financing (TIF) available
- ◇ Public utilities installation Spring 2023

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BRAHAM
 "Building A Better Tomorrow"

Draft

City of Braham, Minnesota

Amendment to Tax Increment Financing District No. 2-10
(Removing Parcels)

Modification of Development District No. 2

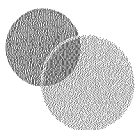
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Tax Increment Financing Plan for

Tax Increment Financing District No. 2-11

(Braham Industrial Park)

To be Adopted: March 28, 2023



DDA

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Amendment to Tax Increment Financing District No. 2-10

Introductory Statement

The City is proposing to remove four (4) inactive parcels from Tax Increment Financing District No. 2-10. TIF District 2-10 has a required decertification date of December 31, 2023. The following sections of the original plan, adopted April 2, 2013, are proposed to be amended:

Section 6 Property to be Included in the District

The following inactive Parcels are proposed to be removed from TIF District No. 2-10:

- 20.00210.00
- 20.00215.00
- 20.00220.00
- 20.00225.00

Development Program for Municipal Development District No. 2

Modification of Section J – Municipal Development District No. 2

Section J Description Development District

Established on March 5, 1990, the boundaries of the Development District No. 2, identified in Exhibit 1 of this document and will include all property within the corporate limits of the City of Braham. This amends Section J of the original Municipal Development District Plan.

Tax Increment Financing Plan for Tax Increment Financing District No. 2-11

Introductory Statement

The primary purpose of this TIF district is to assist with the construction of a 20,000 square warehouse facility, along with 5,000 square feet of offices to support the operations.

Section 1 Definitions

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Authority" means the City Council of the City of Braham, Minnesota.

"City" means the City of Braham, Minnesota.

"County" means Kanabec County, Minnesota.

"County Board" means the County Board of Kanabec County.

"Developer" means any person undertaking construction or renovation in the Project Area.

"Development District" means Municipal Development District No. 2 in the City.

"Development Program" means the Development Program for the Development District.

"Project Area" means the geographic area of the Development District.

"School District" means the School District No. 314.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing District No. 2-11.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

Section 2 Statement of Need and Public Purpose

See the Development Program for Municipal Development District No. 2.

Section 3 Statutory Authorization

The Authority is empowered under the provisions of the TIF Act to establish a tax increment financing district.

Section 4 Statement of Objectives

The objectives of this tax increment financing plan are consistent with the objectives outlined in the Development Program.

Section 5 Specific Development Expected to Occur in the TIF District

East Central Energy is looking to construct a 20,000 square foot warehouse to store fiber optic and related telecommunications equipment to expand the fiber optic network in east central Minnesota. An additional 5,000 square feet of office will be constructed to house the 20-25 new employees.

The City use the tax increment to assistance with land acquisition, site improvements, and the extension of public infrastructure.

Section 6 Property to be Included in the TIF District

The TIF District includes the following parcels:

20.00210.00	20.00220.00
20.00215.00	20.00225.00

Upon platting, all parcels resulting from the split of the initial lots will be located within the TIF District.

A map showing the location of the TIF District is shown in Exhibit 1.

The area encompassed by the TIF District includes all street rights-of-way and utility or drainage easements located upon or adjacent to the property described above.

Section 7 Estimated Sources and Uses of Funds (Public Costs)

The estimated costs of the proposed development in the TIF District, which are eligible for reimbursement with tax increments of the TIF District, and the projected sources of revenue available to fund these costs are summarized below.

Estimated Project/Financing Costs to be paid or financed with increment:

Project Costs	
Land Acquisition	\$ 100,000
Site Improvements	\$ 285,000
Public Utilities	\$ 400,000
Total	\$ 785,000
Finance Costs	
Bond & Note Interest Expense	\$ 202,487
Administrative Costs	
Administration funded with TIF	\$ 109,415
TOTAL USE OF FUNDS	\$ 1,096,902

Estimated Tax Increment Revenues

Tax Increments (after OSA tax)	\$ 1,094,147
Investment Interest	\$ 2,755
TOTAL SOURCE OF FUNDS	\$ 1,096,902

Estimated Amount of Bonds to be issued

\$ 894,415

The Authority reserves the right to adjust the amount of capital line items listed above or to incorporate additional eligible items, so long as the total capital & administrative costs are not increased (\$894,415). Adjusting financing costs, principal or interest will require a public hearing and formal TIF Plan modification process pursuant to Minnesota Statutes Section 469.175 Subd. 4. The Authority also reserves the right to fund any of the identified costs with any other legally available revenues, but anticipates that such costs will be primarily financed with tax increments. Therefore, the total estimated costs to be financed with tax increments, including capital costs, administrative costs and financing costs (interest) is \$1,096,902.

Section 8 Estimated Impact on Other Taxing Jurisdictions

Exhibit 4 shows the estimated impact on other taxing jurisdictions if the projected Retained Captured Net Tax Capacity of the TIF District were hypothetically available to the other jurisdictions. The Authority believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified and the development therein becomes part of the general tax base.

Section 9 Fiscal and economic implications

M.S. Section 469.175 Subdivision 2(b) requires a specific description of the fiscal and economic implications of the proposed TIF District on city operations, plus an estimate of the total TIF to be generated over the life of the TIF District attributable to each taxing jurisdiction.

City Service Costs: The City will be extending sewer and water to the development property. These costs will be offset by a grant from the MN Department of Employment and Economic Development. The streets/infrastructure will be designed to accommodate new development and have ample capacity for the increased traffic volume. Demands on other City services are expected to be handled without increased public costs and City utilities are operated on a fee for service basis so usage revenues will cover increased costs. Impacts on police, fire and administrative costs are expected to be negligible.

The City intends to assist the Project via the issuance of pay as you go contracts, which neither apply to the City's legal debt limit nor carry the City's General Obligation pledge. As such, this TIF District will not have an adverse impact on the City's current bond credit rating or capacity to borrow for future projects.

TIF Attribution: The City projects TIF collections will total \$1,094,147 over the 9-year life of the TIF District. Of this total, \$588,329 is attributable to the City's share of the tax levy; \$364,750 from the County's share of tax levy, and approximately \$130,900 from the School District's share of tax levy. Exhibit 4 has a detailed allocation of total TIF collections to the City, County and School.

Section 10 Property to be acquired in the TIF District

The property is currently owned by the Authority. The Authority intends only to use tax increments on a Pay As You Go basis to lower acquisition, site improvements, and public infrastructure costs for developers in the TIF District.

Section 11 Estimated Amount of Bonded Indebtedness

The Authority reserves the right to fund all Project costs permitted by law using internal funding, general obligation bonds, pay-as-you-go financing or any other financing mechanism authorized by law. The maximum amount of bonds to be funded with tax increment revenue from TIF District No. 2-11 is **\$894,415**.

Internal Loans, including a negative balance in the TIF fund, must be authorized by resolution of the entity advancing the loan before money is transferred, advanced or spent. The resolution must include the terms and conditions for repayment of the loan to include, at a minimum, the principal amount of the loan, the interest rate and the maximum term. The interest rate to be charged on internal loans shall not exceed 4% based upon the limit of the greater of the rates specified under Minnesota Statutes 270C.40 or 549.09 as of the date this Plan is approved.

Section 12 Designation of TIF District as an Economic Development District

Economic development districts are a type of tax increment financing district which consists of any project which the Authority finds to be in the public interest because:

1. it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality;
2. it will result in increased employment in the state; or
3. It will result in preservation and enhancement of the tax base of the state.

The TIF District qualifies as an economic development district in that the proposed development described in this TIF Plan (see Section 5) meets all of the criteria listed above. Without establishment of the TIF District the proposed development would not occur within the City. The proposed development will also result in increased employment and enhancement of the tax base of both the City and the State.

Section 13 Original Net Tax Capacity

The County Auditor will certify the Original Net Tax Capacity of the TIF District, which will be the total Net Tax Capacity of all property in the TIF District. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Market Value of all property within the TIF District as of January 1, 2022, for taxes payable in 2023 is estimated at \$170,704. Based on this information, the Original Net Tax Capacity of the TIF District would be estimated at \$2,561. However, as it is expected that the request for certification will be after July 1, 2023, the Original Net Tax Capacity will actually be based on estimated market value that exists on January 2, 2023, for taxes payable 2024. Figures used are for illustration purposes only.

Each year the County Auditor will certify the amount that the Original Net Tax Capacity has increased or decreased as a result of:

- 1. changes in the tax-exempt status of property;
- 2. reductions or enlargements of the geographic area of the TIF District;
- 3. changes due to stipulation agreements or abatements; or
- 4. changes in classification rates.

Section 14 Original Local Tax Rate

The County Auditor shall also certify the Original Local Tax Rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the Original Net Tax Capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the Original Local Tax Rate of the TIF District.

As noted in Section 13, the Authority intends to file the TIF District for certification after July 1, 2023, but before June 30, 2024; therefore, the Original Local Tax Rate will be the rate that applies for taxes payable in 2024, which is unknown at this time. The rates associated with taxes payable 2023 are included for estimation purposes only (rates are estimates only):

<u>Taxing Jurisdiction</u>	<u>Projected 2023 Local Tax Rate</u>
City of Braham	115.729%
Kanabec County	71.749%
School District #314	25.749%
Other	<u>2.000%</u>
Total	215.227%

The projected original local tax rate does not include the State of Minnesota property tax rate on commercial, industrial and seasonal recreation property which is *not* captured as tax increment. The school tax rate that is applied to captured net tax capacity shall also be reduced by that portion attributed to the general operating levy.

Note: Minnesota Statutes Section 469.177 Subd. 1a was amended in 2013 redefining what portion of the local school district tax capacity rate will be used in calculating tax increments. Specifically, this amendment now excludes that portion of the school rate attributable to the general education levy under Section 126C.13.

Section 15 Projected Retained Captured Net Tax Capacity and Tax Increment

Each year the County Auditor will determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the Original Net Tax Capacity, the difference shall be known as the Captured Net Tax Capacity of the TIF District. It is the Authority’s intention to retain 100% of the Captured Net Tax Capacity of the TIF District.

Exhibit 3 estimates the total amount of retained net captured tax capacity, gross tax increments, adjustments, and the net tax increment revenues which will be available annually and cumulatively over the life of the TIF District.

Section 16 Statutory Duration of the TIF District

Economic development districts may remain in existence for eight years from the date of receipt of the first tax increment. This produces nine (9) annual collections of tax increments, with the first year of increment expected to be 2025 and that the final year will be 2033. Modifications of this plan (see Section 28) may not extend these limitations unless the Authority elects under certain circumstances to extend the duration of TIF District in order to recover eligible pollution cleanup costs incurred by the City (see M.S. Section 469.176, Subd. 1g for details).

Section 17 Use of Tax Increments – Economic Development Districts

Revenue derived from tax increment from an economic development district must be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, in which at least 85 percent of the buildings and facilities (determined on the basis of square footage) are used for any of the following purposes:

1. the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;
2. warehousing, storage, and distribution of tangible personal property, excluding retail sales;
3. research and development related to the activities listed in clause (1) or (2);
4. telemarketing if that activity is the exclusive use of the property;
5. tourism facilities;
6. space necessary for and related to the activities listed in clauses (1) to (6); or
7. A workforce housing project that satisfies the requirements of paragraph (d).

Section 18 Use of Tax Increments – General

Each year the County Treasurer shall deduct an estimated 0.36% of the annual tax increment generated by the TIF District and pay such amount to the state general fund. Such amounts will be appropriated to the state auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit 3 shows the projected deduction for this purpose over the anticipated life of the TIF District.

The Authority has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

1. Pay for the estimated public costs of the TIF District (including administrative expenses, see Section 7) and City administrative costs associated with the TIF District (see Section 29);
2. Pay principal and interest on tax increment bonds, notes or other financial obligations issued to finance the public costs of the TIF District;
3. Accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the public costs of the TIF District;
4. Pay all or a portion of the County road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
5. Return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates.

Tax increments from property located in one County must be expended for the direct and primary benefit of a project located within that County, unless both County boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, County, School District, or any other local unit of government or the State or federal government, including social, recreational or conference facilities or a public park used as a commons area. Tax increments may be used to finance public parking facilities.

Tax increment may not be spent outside the TIF District on improvements, equipment, or other items whose primary purpose is decorative or aesthetic or if the materials used or design cost twice that of more commonly used equipment or improvements. This prohibition does not apply to improvements related to rehabilitating historic structures on national register or in a historic district listed on the national register.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sales of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

Section 19 “Green Acres”

The TIF District may not include parcels that qualified as “green acres” in any of the five (5) years preceding the request for certification, unless 85% of development in the district is restricted to qualified manufacturing or distribution facilities directly related to production of tangible personal property and paying at least 90% of its employees over the age of 20 wages equal to or greater than 160% of the federal minimum wage; or the development in the district is a housing project.

Section 20 4-Year Knock-Down Rule

If after four years from certification of the TIF District no demolition, rehabilitation, renovation, or qualified improvement of an adjacent street has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District and the Original Net Tax Capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The Authority must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the Authority or owner of the parcel subsequently commences any of the above activities, the Authority shall certify to the County Auditor that such activity has commenced and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the Original Net Tax Capacity of the TIF District.

Section 21 Tax Increment Pooling – 5-year Rule

At least 80% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District. No more than 20% of the tax increments may be spent on costs outside of the TIF District, but within the boundaries of the Project Area. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

1. actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
2. used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
3. used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund-

Beginning with the sixth year following certification of the TIF District, at least 80% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

Section 22 Excess Tax Increment

On December 31st of each year, the Authority must determine the amount of excess increments for the TIF District. Excess increments may only be used to:

1. prepay any outstanding tax increment Bonds;
2. discharge the pledge of tax increments on any outstanding Bonds;
3. pay amounts into an escrow account dedicated to the payment of any outstanding Bonds; or
4. return excess tax increments to the County Auditor for redistribution to the City, County and School District in proportion to their local tax capacity rates. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

Section 23 Limitation on Administrative Expenses

Administrative expenses are defined as all costs of the Authority other than:

1. amounts paid for the purchase of land;
2. amounts paid for materials and services, including architectural and engineering services directly connected with the proposed development within the TIF District;
3. relocation benefits paid to, or services provided for, persons or businesses located within the TIF District; or
4. amounts used to pay interest on, fund a reserve for, or sell at a discount, tax increment bonds.

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the City in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total estimated public costs authorized by the TIF Plan or (b) 10% of the total tax increment expenditures of the project.

Section 24 Prior Planned Improvements

The City shall accompany its request for certification to the County Auditor with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the Original Net Tax Capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

The City has issued no building permits within the last 18 months for properties within the TIF District.

Section 25 Development Agreements

If more than 10% of the acreage of a project (which contains an economic development district) is to be acquired by the Authority with proceeds from tax increment bonds then, prior to such acquisition, the Authority must enter into an agreement for the development of the property. Such agreement must provide recourse for the Authority should the development not be completed.

Section 26 Business Subsidy Laws

Minnesota Statutes 116J.994 requires a City or Authority providing financial assistance of between \$25,000-150,000 or a business subsidy worth \$150,000 or more to complete an approval process as described below. Housing projects and many redevelopment projects are exempt from the requirements.

For financial assistance of \$25,000-149,999:

1. Adopt criteria for awarding business subsidies following a public hearing.
2. Complete the Financial Assistance Report annually for two years

For a business subsidy of \$150,000 or more, the Authority must complete the following:

1. Adopt criteria for awarding business subsidies following a public hearing.
2. Conduct a public hearing on the subsidy, after providing at least 10 days published notice in the local newspaper.
3. Enter into a subsidy agreement which must include the following information and requirements:
 - a. A description of the subsidy.
 - b. A statement of the public purpose and goals of the subsidy.
 - c. Wage and job creation goals (or job retention goals, if job loss is imminent and demonstrable) to be achieved within 2 years of receiving the subsidy;
 - d. A description of the recipient's financial obligation if the goals are not met. The recipient must pay back the assistance with interest if goals are not met, although pro-ratio to reflect partial fulfillment of goals is permitted.
 - e. A statement of why the subsidy is needed.
 - f. A commitment from the recipient to continue operations at the site for at least 5 years;
 - g. The name and address of the parent company of the recipient;

- h. A list of all other financial assistance to the project; and
- i. A requirement for the recipient to provide the Authority and the Department of Employment and Economic Development with annual information regarding goals for two years after receiving the subsidy or until the goals are achieved. The reports must be filed by March 1 for the prior year.

Section 27 Assessment Agreements

The City may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be a reasonable estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, and if the project is valued below the minimum market value, also approved by the County and School District.

Section 28 Modifications of the Tax Increment Financing Plan

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; increase in the amount of capitalized interest; increase in that portion of the Captured Net Tax Capacity to be retained by the Authority; increase in the total estimated public costs; or designation of additional property to be acquired by the Authority shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

1. the only modification is elimination of parcels from the Project Area or the TIF District; and
2. the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's Original Net Tax Capacity, or the Authority agrees that the TIF District's Original Net Tax Capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The Authority must notify the County Auditor of any modification that reduces or enlarges the geographic area of the Project Area or the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

Section 29 Certification and Administration of the Tax Increment Financing Plan

Upon adoption of the TIF Plan, the Authority must submit a copy of such plan to the State Auditor's Office and the Department of Revenue. The Authority must also request that the County Auditor certify the Original Net Tax Capacity and Net Tax Capacity Rate of the TIF District. To assist the County Auditor in this process, the Authority must submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The Authority must also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District, and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County will distribute to the Authority the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the Retained Captured Net Tax Capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

1. Prior to July 1, the Authority shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to insure that the new value will be recorded in a timely manner.
2. If the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.
3. Each year the County Auditor shall certify the amount of the Original Net Tax Capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
 - a) the value of property that changes from tax-exempt to taxable shall be added to the Original Net Tax Capacity of the TIF District. The reverse shall also apply;

- b) the Original Net Tax Capacity may be modified by any approved enlargement or reduction of the TIF District;
- c) if laws governing the classification of real property cause changes to the percentage of Estimated Market Value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the Original Net Tax Capacity and the Retained Captured Net Tax Capacity of the TIF District.

The County Auditor shall notify the Authority of all changes made to the Original Net Tax Capacity of the TIF District.

Section 30 Financial Reporting and Disclosure Requirements

The Authority is responsible for information and financial reporting on the activities of the TIF District. These responsibilities include:

1. Prepare and Publish an Annual Statement. No later than August 1 of each year, the Authority must prepare and publish an annual statement which includes at least the following information:
 - a. tax increment received and expended in that year
 - b. Original Net Tax Capacity
 - c. captured Net Tax Capacity
 - d. amount of outstanding bonded indebtedness
 - e. increments paid to other government bodies
 - f. administrative costs
 - g. increments paid directly or indirectly outside of the district
 - h. if a fiscal disparities contribution is computed under section 469.177, Subd. 3(a), the increase in property tax imposed on other properties in the municipality as a result of the fiscal disparities contribution in the manner prescribed by the commissioner of revenue.

A copy of the annual statement must also be provided to the State Auditor, county board and county auditor, and the municipality.

2. Prepare an Annual Report. (469.175 Subds. 5 and 6) The State Auditor enforces the provisions of the TIF Act and has full responsibility for financial and compliance auditing of the Authority's use of tax increment financing. The State Auditor's office provides detailed tax increment reporting forms for use in complying with annual reporting requirements. On or before August 1 of each year, the Authority and/or the City must prepare a status and financial report for the TIF District and submit it to the state auditor, the county board, the county auditor, and the governing body of the municipality, if the municipality is not also the authority.
3. Prepare a Minnesota Business Assistance Form. (116J.994) By April 1, the Authority must submit a report to the Department of Employment and Economic Development on wage and job goals and progress made in achieving them. A reporting form is provided by the Department, and must be submitted for each business which has received TIF assistance.

Section 31 Findings and Need for Tax Increment Financing

In establishing the TIF District, the City makes the following findings:

1. The TIF District qualifies as an economic development district;
See Section 12 of this document for the reasons and facts supporting this finding.
2. The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and the increased market value of the site that could reasonably be expected to occur without the use of tax increment would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the TIF District permitted by the TIF Plan;

The above finding is based on a request to the City submitted by the Developer stating the subsidy is needed from the City and without the use of tax increment financing the Project could not proceed.

The City also finds that due to the amount of time the site(s) have sat in their current condition, the City finds no reason for additional development to occur without TIF assistance. Therefore, the City reasonably believes that the expected increase in market value at this site without TIF assistance would be minimal. A comparative analysis of estimated market values both with and without establishment of the TIF District and the use of tax increments has been performed. This property has had limited economic activity over the past five years so we are projecting a small inflationary rate of 1%. Such analysis is included as Exhibit 5, indicates that:

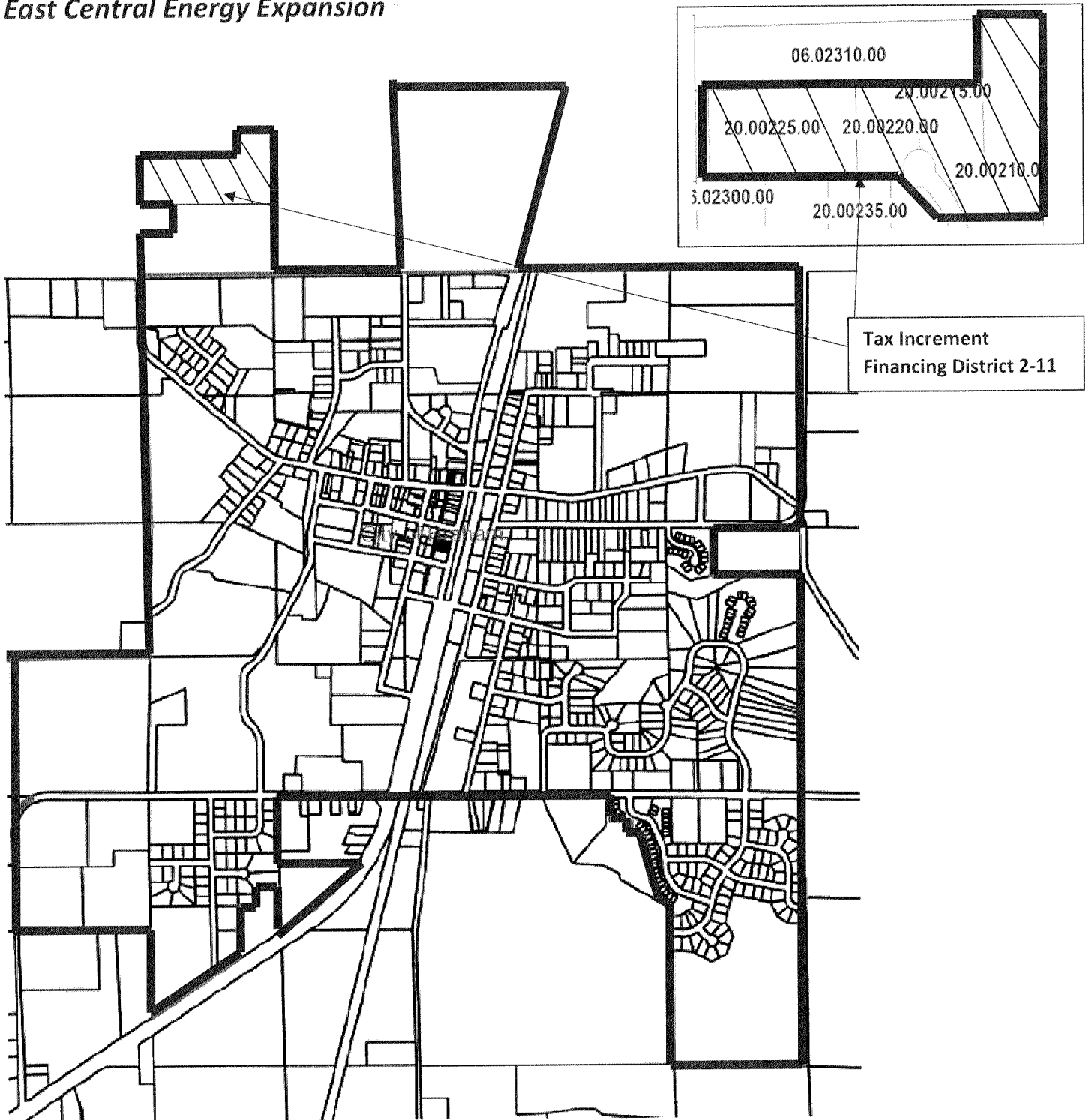
- a) The Authority's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is **\$15,363** (for the reasons described above).
 - b) If the proposed development to be assisted with tax increment occurs in the TIF District, the total increase in market value would be approximately **\$2,829,296**. The increase in market value would be due primarily to new construction within the TIF District. (See Exhibit 3)
 - c) The present value of tax increments from the TIF District for the maximum duration of the district permitted by the TIF Plan is estimated to **\$902,681** (See Exhibit 5)
 - d) Even if some development other than the proposed development were to occur, the Authority finds that no alternative would occur that would produce a market value increase greater than **\$1,926,615** (the amount in clause b less the amount in clause c) without tax increment assistance.
3. The TIF Plan conforms to the general plan for development or redevelopment of the City as a whole.
- The reasons and facts supporting this finding are that the current zoning of the property provides for industrial and commercial development as a permitted use, and rezoning will not be required.
4. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Project Area by private enterprise.

The reasons and facts supporting this finding are that the development activities are necessary so that development and redevelopment by private enterprise can occur within the Development District.

Exhibits

Map of Financing District and Project Area Exhibit 1
Parcels and Valuations Exhibit 2
Tax Increment Projections Exhibit 3
Statement of Fiscal and Economic Impacts Exhibit 4
Market Value Analysis Exhibit 5

City of Braham, Minnesota
Tax Increment Financing district No. 2-11
East Central Energy Expansion



The Boundaries of Municipal Development District No. 2 are coterminous with the City limits.

City of Braham, Minnesota
Tax Increment Financing District #2-11
Braham Industrial Park

PARCEL INFORMATION

#	PIN #	Owner	2022/Pay 2023			
			Land	Building	Total M.V.	Tax Cap.*
1	20.00210.00	City of Braham	51,600	-	51,600	774
2	20.00215.00	City of Braham	34,400	-	34,400	516
3	20.00220.00	City of Braham	33,300	-	33,300	500
4	20.00225.00	City of Braham	51,404	-	51,404	771
Total			170,704	-	170,704	2,561

City of Braham, Minnesota
Tax Increment Financing District #2-11
 Braham Industrial Park

TIF PROJECTIONS

Valuations & Projected Increases

	Market	Tax Capacity
Estimated Original value	170,704	2,561
Future Development	3,000,000	59,250
Captured/Increased Values	2,829,296	56,689
Assumed inflation rate:	0.00%	

Tax Rate Assumptions:

	2023		Rate
	PrelimTax Rate*	Projected TIF Tax Rate	
City	115.729%	115.729%	115.729%
County	71.749%	71.749%	71.749%
School	25.749%	25.749%	25.749%
Other	2.000%	2.000%	2.000%
State	33.003%	0.000%	0.000%
	248.230%	215.227%	215.227%

Projected Tax Increment

Payable Year	Original Tax Capacity	Projected Tax Capacity	Net Captured Tax Capacity	Less Fiscal Disparities	Retained Net Captured Tax Capacity	Projected Tax Rate	Gross Tax Increment
2023	2,561	2,561	-	-	-	215.23%	-
2024	2,561	2,561	-	-	-	215.23%	-
2025	2,561	59,250	56,689	-	56,689	215.23%	122,011
2026	2,561	59,250	56,689	-	56,689	215.23%	122,011
2027	2,561	59,250	56,689	-	56,689	215.23%	122,011
2028	2,561	59,250	56,689	-	56,689	215.23%	122,011
2029	2,561	59,250	56,689	-	56,689	215.23%	122,011
2030	2,561	59,250	56,689	-	56,689	215.23%	122,011
2031	2,561	59,250	56,689	-	56,689	215.23%	122,011
2032	2,561	59,250	56,689	-	56,689	215.23%	122,011
2033	2,561	59,250	56,689	-	56,689	215.23%	122,011
							1,098,100

Adjustments

10.00% Admin. Retainage	0.36% State Auditor's Deduction	Other Additions or Subtractions	TOTAL NET REVENUES
-	-	-	-
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
12,157	439	-	109,415
109,415	3,953	-	984,732

~ Present Value @ 4% > 782,245

Interest 202,487

**City of Braham, Minnesota
Tax Increment Financing District #2-11
Braham Industrial Park**

STATEMENT OF FISCAL AND ECONOMIC IMPACTS

Taxing Jurisdiction	Without TIF District			With TIF District					
	2022/Pay 2023 Taxable Net Tax Capacity ⁽¹⁾	Original Local TIF Tax Rate	2022/Pay 2023 Taxable Net Tax Capacity ⁽¹⁾	Projected Captured Net Tax Capacity	Hypothetical Tax Generated By TIF	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate	Hypothetical Decrease in Tax Rate	
City of Braham	1,217,734	116%	1,217,734	59,250	68,569	1,276,984	110%	5.370%	
Kanabec County	19,012,522	72%	19,012,522	59,250	42,511	19,071,772	72%	0.223%	
School District 314	4,896,389	26%	4,896,389	59,250	15,256	4,955,639	25%	0.308%	
Other ⁽²⁾		2%	--	59,250	1,185	--	2%	--	
Totals		215%			127,522		209%	5.900%	

Statement #1: If all of the projected captured net tax capacity of the project were hypothetically immediately available to each taxing jurisdiction if TIF were not used, the tax capacities of each jurisdiction would be increased by the amounts shown above, and the local tax rates of each jurisdiction would be decreased by the amounts shown.

Statement #2: As the projected captured tax capacity of the project would not be available without the use of TIF, the tax capacities and tax rates of each jurisdiction will not be affected.

Statement #3: The estimated amount of tax increment (after the OSA deduction) generated over the life of the TIF District is estimated to be: \$ 1,094,147

Statement #4: The estimated amount of increment is attributed to the local tax levies and captured as a result of the creation of this TIF District for the following local units:

City of Braham	\$	588,329
Kanabec County	\$	364,750
School District 314	\$	130,900

Statement #5: The final Original Net Tax Capacity and Local Tax Rate of the TIF District will be based upon final data for 2023 for taxes payable 2024 as the Authority intends to request certification after July 1, 2023 and before June 30, 2024.

⁽¹⁾ Taxable net tax capacity = total net tax capacity less value captured in TIF Districts and powerline value.

⁽²⁾ The impacts upon other taxing jurisdictions not included since they represent a small percentage of the total tax rate.

City of Braham, Minnesota

Tax Increment Financing District #2-11

Braham Industrial Park

MARKET VALUE ANALYSIS

Increased Market Value of Site	2,829,296
Less Present Value of TIF Revenues	<u>902,681</u>
	1,926,615
Reasonably expected increase w/out TIF	<u>15,363</u>
Net Value Increase	1,911,252

Present Value Calculation

Calculation Date	12/31/2023
Present Value Factor	4.00%

#	Year	Gross Tax Increment	Present Value
	2023	-	-
	2024	-	-
1	2025	122,011	112,806
2	2026	122,011	112,806
3	2027	122,011	108,467
4	2028	122,011	104,296
5	2029	122,011	100,284
6	2030	122,011	96,427
7	2031	122,011	92,718
8	2032	122,011	89,152
9	2033	122,011	85,723
		<u>1,098,100</u>	<u>902,681</u>

* Without the use of TIF, market value increases would be expected to be limited to infalction only. No development is expected without the use of TIF. Inflation is estimated at 1% per year for 9 years.

**CITY OF BRAHAM
ISANTI AND KANABEC COUNTIES, MINNESOTA**

RESOLUTION 23-17

Date: March 16, 2023

Motion By: _____ Seconded By: _____

**RESOLUTION FINDING THAT
THE SALE AND TRANSFER OF REAL PROPERTY
IS CONSISTENT WITH THE CITY'S COMPREHENSIVE PLAN**

WHEREAS, the City of Braham is the fee owner of Lots 3, 4, 5 and 6, Block 1, Braham Industrial Park 1st Addition, Kanabec County, Minnesota, according to the recorded plat thereof ("Subject Property"); and

WHEREAS, the City is proposing to sell and convey Lots 3, 4, 5, and 6, Block 1, Braham Industrial Park 1st Addition to East Central Energy, LLC, a Minnesota business cooperative; and

WHEREAS, Minn. Stat. § 462.356, subd. 2, requires that the Planning Commission review the sale of any publicly owned real property within the City;

NOW, THEREFORE, BE IT RESOLVED by the Planning Commission of the City of Braham that:

After reviewing the proposed purchase agreement for the sale of the Subject Property, the Planning Commission finds that the sale and transfer of the Subject Property is consistent with the City's Comprehensive Plan.

PASSED AND DULY ADOPTED by the Planning Commission of the City of Braham, Minnesota, this 16th day of March, 2023.

Loren Davis, Chair

Attested:

Rachel Kytonen, City Administrator

**EXTRACT OF MINUTES OF A MEETING OF THE
PLANNING COMMISSION OF
THE CITY OF BRAHAM, MINNESOTA**

HELD: March 16, 2023

Pursuant to due call and notice thereof, a meeting of the Planning Commission of the City of Braham, Kanabec and Isanti Counties, Minnesota, was duly held at City Hall on the 16th day of March, 2023, at 4:30 p.m. for the purpose, in part, of making a recommendation to the City Council on the modification of Municipal Development District No. 2 and the establishment of Tax Increment Financing District No. 2-11 therein, and the adoption of a Development Program and Tax Increment Financing Plan relating thereto.

The following Commissioners were present:

And the following were absent:

Commissioner _____ introduced the following resolution and moved its adoption;

**RESOLUTION 23-18 RECOMMENDING APPROVAL
OF THE MODIFICATION OF MUNICIPAL DEVELOPMENT DISTRICT NO. 2,
THE ADOPTION OF A DEVELOPMENT PROGRAM THEREFOR,
THE ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 2-11 THEREIN
AND THE ADOPTION OF A TAX INCREMENT FINANCING PLAN RELATING THERETO**

WHEREAS, the Planning Commission has reviewed the documents relating to the proposed modification of Municipal Development District No. 2 and the establishment of Tax Increment Financing District No.2-11 therein; and

WHEREAS, the Planning Commission has been asked to provide a recommendation to the City Council regarding the adoption of the same;

NOW THEREFORE BE IT RESOLVED by the Planning Commission of the City of Braham, Kanabec and Isanti Counties, Minnesota (the "City"), as follows:

1. The proposed development of the project area as described in the Municipal Development Program and Tax Increment Financing Plan are generally consistent with the City's development plan and zoning ordinances, will serve to complement the City's plans for creation of development opportunities in the City, and will serve to promote the City's development objectives.

The motion for the adoption of the foregoing resolution was duly seconded by Commissioner _____ 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.

STATE OF MINNESOTA)
CITY OF BRAHAM) SS.
COUNTIES OF KANABEC AND ISANTI)

I, the undersigned, being the Chairperson of the Planning Commission of the City of Braham, Minnesota, DO HEREBY CERTIFY that the attached resolution is a true and correct copy of an extract of minutes of a meeting of the Planning Commission of the City of Braham, Minnesota duly called and held, as such minutes relate to the modification of Municipal Development District No. 2 and the establishment of Tax Increment Financing District No. 2-11 therein.

WITNESSED:

Loren Davis, Chairperson

March 16, 2023