



Council Committee Memorandum

TO: Mayor and City Council

THROUGH: Tim Murray, City Administrator
Deanna Kuennen, Community and Economic Development Director

FROM: Kim Clausen, Community Development Coordinator

MEETING DATE: February 26, 2019

SUBJECT: Resolution 2019-033 Calling for a Public Hearing for Establishment of Tax Increment Financing (TIF) District

Background:

At the December 23, 2018 and January 29, 2019 Joint Committee meetings, the City Council directed staff to work with Mac Hamilton, of Hamilton Real Estate, on redeveloping the block surrounded by 1st Street NW on the north, Division Street on the south, Central Avenue on the east and 1st Avenue NW on the west. Hamilton is proposing redeveloping this site into a 40-unit market rate apartment building with amenities.

As previously discussed, Hamilton is requesting the establishment of a Tax Increment Financing (TIF) District for assistance in completing the project. In order to establish a TIF District, the Council must hold a Public Hearing and provide adequate public notice of said hearing. The proposed date for the public hearing is April 23, 2019 at 6:00 p.m.

Request:

The City Council is asked to adopt Resolution 2019-033 calling for a public hearing on April 23, 2019 to accept public comment on the establishment of a TIF District for the Hamilton redevelopment project.

Attachments:

- Project Timeline

CITY OF FARIBULT
RICE COUNTY
STATE OF MINNESOTA

RESOLUTION NO. 2019-033

**RESOLUTION CALLING FOR A PUBLIC HEARING BY THE CITY COUNCIL
ON THE PROPOSED MODIFICATION TO THE DEVELOPMENT PROGRAM
FOR DEVELOPMENT DISTRICT NO. 1 AND THE PROPOSED
ESTABLISHMENT OF TAX INCREMENT FINANCING DISTRICT NO. 1-13:
HAMILTON AND THE ADOPTION OF THE TAX INCREMENT FINANCING
PLAN.**

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

Section 1. Public Hearing. This Council shall meet on April 23, 2019, at approximately 6:00 P.M., to hold a public hearing on the proposed modification of the Development Program for Development District No. 1, the proposed establishment of Tax Increment Financing District No. 1-13: Hamilton (a redevelopment district), and the proposed adoption of a Tax Increment Financing Plan (together the "Plans") therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, inclusive, as amended, in an effort to encourage the development and redevelopment of certain designated areas within the City; and

Section 2. Notice of Public Hearing, Filing of the Plans. City staff is authorized and directed to work with Ehlers to prepare the Plans and to forward documents to the appropriate taxing jurisdictions including Rice County and Independent School District No. 656. The Community and Economic Development Director is authorized and directed to cause notice of the hearing, together with an appropriate map as required by law, to be published at least once in the official newspaper of the City not later than 10, nor more than 30, days prior to April 23, 2019, and to place a copy of the Plans on file in the Community and Economic Development Director's office at City Hall and to make such copy available for inspection by the public.

Dated: February 26, 2019

Adopted:

Kevin Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator



Schedule of Events

City of Faribault
Rice County, Minnesota

For the proposed Modification to the Development Program
for Development District No. 1 and

the proposed establishment of Tax Increment Financing District No. 13: Hamilton
(a redevelopment district)

Draft as of February 11, 2019

- February 19, 2019 City Council work session to direct staff to prepare documents to finalize the purchase of 29 – 1st St. NW.
- February 22, 2019 Project information, property identification numbers, fiscal impacts and maps sent to Ehlers for drafting documentation.

Ehlers confirms whether building permits have been issued on the property to be included in the TIF District.
- February 25, 2019 Heritage Preservation Commission (HPC) reviews proposed apartments and issues Certificate of Appropriateness or recommends changes.
- February 26, 2019 City Council approves purchase of 29 – 1st St. NW.

City Council approves Interfund Loan Resolution.

City Council calls for public hearing on the proposed Modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 13: Hamilton (TIF District 13). *[Ehlers will provide resolution by February 20, 2019.]*
- March 5, 2019 Letter received by County Commissioner giving notice of potential redevelopment TIF district (at least 30 days prior to publication of public hearing notice). *[Ehlers will distribute by March 5, 2019.]*
- March 11, 2019 Roger Carlsen submits application for Conditional Use Permit (CUP) amendment to allow one additional rental unit at Crown Apartments. Application will address variances for parking requirements, number of rental units and minimum unit size, if applicable.

Mac Hamilton submits application for CUP to allow multi-family units in Central Business District.

City receives survey, topo, legal descriptions, title opinions and proposed preliminary / final plat for City-owned property / land exchange areas from ISG and Kennedy & Graven.

- N/A* Project information submitted to the County Board for review of county road impacts *if necessary* (at least 45 days prior to public hearing).
*The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Because City staff believes that the proposed TIF district will not require unplanned county road improvements, the TIF Plan was not forwarded to the County Board 45 days prior to the public hearing. Please be aware the County Board could claim that tax increment should be used for county roads, even after the public hearing.
- By March 20, 2019 Ehlers conducts internal review of Plans.
- March 22, 2019 Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing). *[Ehlers will distribute by March 22, 2019.]*
- April 1, 2019 Development Review Committee (DRC) reviews CUP applications and preliminary / final plat application.
- April 5, 2019 Publication of Planning Commission hearing notice in the *Faribault Daily News* (at least 10 days but not more than 30 days prior to hearing). *(Publication deadline: April 1, 2019)]*
- Publication of tax increment hearing notice and map for the City Council in the *Faribault Daily News* (at least 10 days but not more than 30 days prior to hearing). *[Ehlers will submit notice, map and instructions by March 27, 2019. (Publication deadline: April 1, 2019)]*
- April 15, 2019 Planning Commission holds public hearing at 7:00 PM and considers a resolution recommending approval of the CUPs, preliminary / final plat.
- Planning Commission meets at 7:00 PM and reviews Plans to determine their conformity with the City's Comprehensive Plan. *[Ehlers will provide packet information by April 8, 2019.]*
- April 18, 2019 EDA meets at 7:00 A.M. to consider the Modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 13: Hamilton and considers a resolution recommending approval of the Plans. *[Ehlers will provide packet information April 11, 2019.]*
- EDA considers Development Agreement. *[Kennedy & Graven will provide packet information April 11, 2019.]*
- April 23, 2019 City Council approves CUPs, preliminary and final plat applications.
- City Council holds public hearing at 6:00 P.M. on the Modification to the Development Program for Development District No. 1 and the proposed establishment of Tax Increment Financing District No. 13: Hamilton and considers a resolution approving the Plans. *[Ehlers will provide packet information April 18, 2019.]*
- April 24, 2019 City, Hamilton and Carlsen close on land sales / transfers (Carlsen to City, City to Hamilton). *[Kennedy & Graven to provide required deeds, conduct closing and record plat.]*



City may issue building permits.

April 30, 2019 Tenant vacates 24 Division St.

Before June 30, 2019 Ehlers files the Plans with the MN Department of Revenue, Office of the State Auditor, and requests certification of the TIF District with the County.

By July 1, 2019 Hamilton breaks ground on development.

An action under subdivision 1, paragraph (a), contesting the validity of a determination by an authority under section 469.175, subdivision 3, must be commenced within the later of:

- (1) 180 days after the municipality's approval under section 469.175, subdivision 3; or
- (2) 90 days after the request for certification of the district is filed with the county auditor under section 469.177, subdivision 1.