



City Council Memorandum

To: Mayor Fasbender and City Council

From: John Hinzman, Community Development Director

Date: July 15, 2024

Item: Resolution: Decertify Tax Increment Financing District No. 5 - NAPA

Council Action Requested:

Adopt the attached resolution approving the decertification of Tax Increment Financing (TIF) District No. 5 for NAPA Auto parts generally located on the southeast corner of 15th and Vermillion Streets. A simple majority is necessary for action.

Background

In 2010 the Hastings Economic Development and Redevelopment Authority (HEDRA) and the City entered into a TIF Agreement with Linn Companies to pledge \$128,000 of the TIF proceeds to assist with demolition of the former Jiffy Gas Station and adjoining home as well as environmental cleanup of the site. Napa Auto Parts was constructed shortly after. Our TIF obligation has concluded, and we wish to terminate the TIF district.

Advisory Commission Review:

HEDRA is scheduled to take similar action at its July 11, 2024 meeting.

Attachments:

- Resolution

**CITY OF HASTINGS
DAKOTA COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. 2024-_____

**RESOLUTION APPROVING DECERTIFYING TAX INCREMENT
FINANCING DISTRICT NO. 5**

BE IT RESOLVED By the City Council of the City of Hastings, Minnesota (“City”), as follows:

Section 1. Recitals.

1.01. The City and the Hastings Economic Development and Redevelopment Authority (“HEDRA”) propose to approve decertification of Tax Increment Financing District No. 5 (“District”).

1.02. The City established the District as a renewal and renovation district on July 19, 2010, all pursuant to and in conformity with applicable law, including Minnesota Statutes 469.001 to 469.047, Section 469.090 to 469.1082, and Section 469.174 to 469.1799, all inclusive, as amended.

1.03. Minnesota Statutes, Section 469.174 to 469.179 authorizes the City Council to decertify a tax increment financing district on any date after all bonds and other obligations have been satisfied.

1.04. As of the date hereof all obligations to which tax increment from the District have been pledged are paid in full.

1.05. The City and the HEDRA desire by this resolution to decertify the District effective December 31, 2024, by which all taxing jurisdictions will benefit from an increased tax base effective for taxes payable in 2025.

1.06. The City and the HEDRA acknowledges such action will be taken by Dakota County to decertify the District as a tax increment district and to no longer remit tax increment from the District to the City after December 31, 2024.

Section 2. Approve Decertifying the District.

2.01. The City Finance Manager is authorized and directed to provide Dakota County with documents related to decertification of the District, to submit the Confirmation of Decertified TIF District form to the Office of the State Auditor and take any other steps required for decertification by December 31, 2024.

2.02. The City Finance Manager is authorized and directed to determine the amount of excess tax increment in the account for the District and to return all excess tax increment to Dakota County for redistribution to other taxing jurisdictions.:

Adopted by the City Council of the City of Hastings, Minnesota this 15th day of July, 2024.

Mary Fasbender, Mayor

ATTEST:

Kelly Murtaugh, City Clerk