

EXHIBIT A
RESOLUTION NO. 19-0471

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 32, as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Tax Increment Financing District No. 32 is a housing district as defined in M.S., Section 469.174, Subd. 11.*

TIF District No. 32 consists of one parcel. The District is being created to facilitate rehabilitation of the historic Board of Trade Building. The rehabilitated building will include 84-units of rental housing, 17 of which will be affordable, and approximately 16,645 square feet of commercial space in the City. All or a portion of which will receive tax increment assistance and will meet income restrictions described in *M.S. 469.1761*. At least 20 percent of the units receiving assistance will have incomes at or below 50 percent of statewide median income.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

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: This finding is supported by the fact that the development proposed in this plan is an adaptive reuse of a historic building that will contain affordable housing units meeting the City's objectives for development. The cost of building rehabilitation makes this housing development infeasible without City assistance. The cost to rehabilitate the building for housing is the same for affordable housing units as it is for market rate housing units. The decreased rental income from the affordable units means there is less cash flow available to service the operating and debt expenses for the project. The leaves a gap in funding for the project. The need to offset this reduction in rents for the affordable housing units makes this development feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided a letter and a pro forma as justification that the project would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing 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: This finding is justified on the grounds that the costs of building acquisition, and rehabilitation for housing adds to the total development cost. Historically, the costs of construction and/or rehabilitation in the City have made development of affordable housing infeasible without tax increment assistance. Although other projects could potentially be proposed, the City reasonably determines that no other redevelopment of similar scope providing the desired affordability can be anticipated on this site without substantially similar assistance being provided to the development.

3. *Finding that the TIF Plan for Tax Increment Financing District No. 32 conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Tax Increment Financing District No. 32 will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Housing Development District by private enterprise.*

Through the implementation of the TIF Plan, the DEDA or City will provide an impetus for residential development, which is desirable or necessary for increased population and an increased need for life-cycle housing within the City.