
MEMORANDUM

To: Troy Klecker, Community Development Director

From: Ed Tschida, Development Consultant

Subject: Resolutions Deeming Certain Parcels to be occupied by Structurally Substandard Buildings

Date: May 28, 2020

Tax increment financing regulations permit the City to designate a parcel as meeting the requirements for inclusion in a “Redevelopment” tax increment financing district prior to formation of a Redevelopment district upon meeting certain conditions. To preserve this option the City must adopt a resolution deeming the parcel to be occupied by a structurally substandard building. A parcel is deemed to be occupied by a structurally substandard building for including in a subsequent TIF district when all of the following conditions are met:

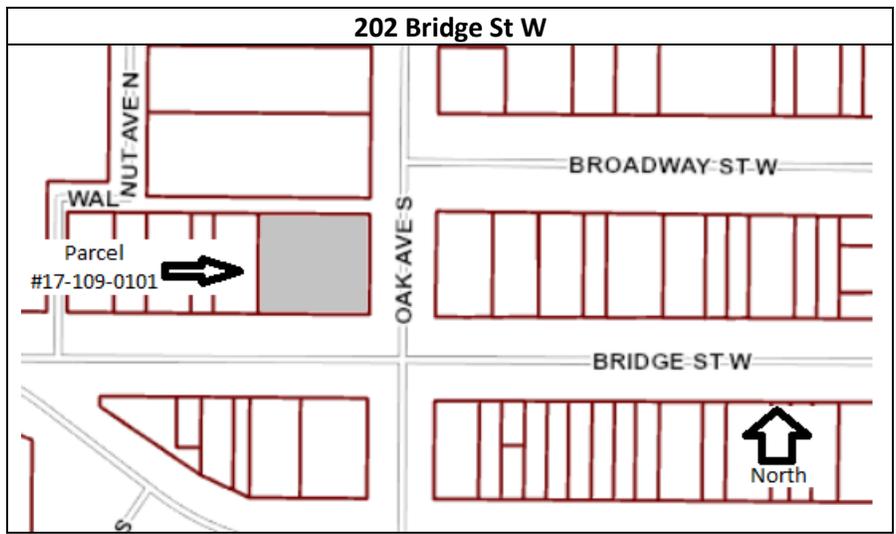
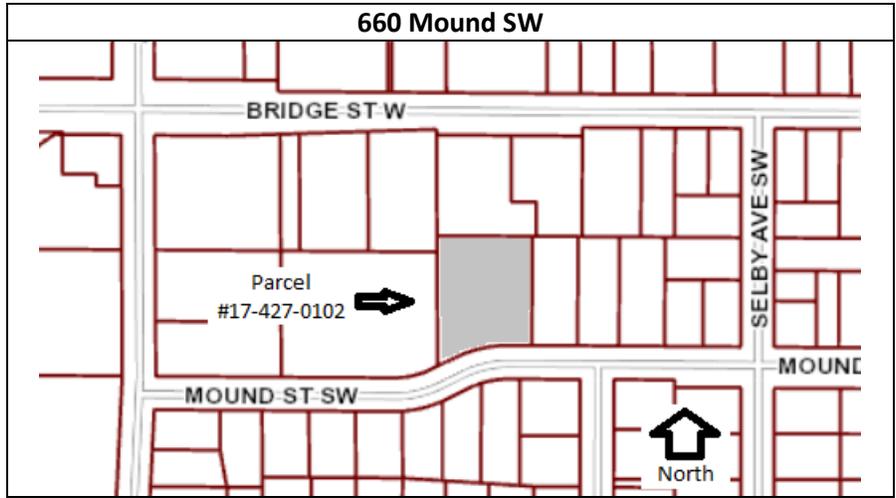
- (1) the parcel was occupied by a substandard building within three years of the filing of the request for certification of the parcel as part of the TIF district with the county auditor;
- (2) the substandard building was demolished or removed by the City or the demolition or removal was financed by the City or was done by a developer under a development agreement with the City;
- (3) the City found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building and that after demolition and clearance the City intended to include the parcel within a TIF district; and
- (4) upon filing the request for certification of the tax capacity of the parcel as part of a TIF district, the City notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by Minnesota statutes, section 469.177, subdivision 1, paragraph (f).

Before adoption of the resolution, the City shall inspect the property and determine that the property 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.

The City may not make such a determination without an interior inspection of the property, but need not have an independent, expert appraisal prepared of the cost of repair and rehabilitation of the building. An interior inspection of the property is not required, if the City finds that (1) the City is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard. Items of evidence that support such a conclusion include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence. Written

documentation of the findings and reasons why an interior inspection was not conducted must be made and retained.

Below are maps of the parcels under consideration as meeting the requirements for subsequent inclusion in a redevelopment TIF district.



Resolution 78-20 deems parcel #17-427-0102 and Resolution 79-20 deems parcel #17-109-0101 to be occupied by substandard buildings and preserves the City's option to subsequently include these parcels in a redevelopment TIF district..

RESOLUTION NO. 78-20

RESOLUTION DEEMING PARCEL #17-427-0102 TO BE OCCUPIED
BY STRUCTURALLY SUBSTANDARD BUILDING
(660 Mound St. SW)

Whereas, it is under consideration that the City of Owatonna (the "City") create a tax increment financing district in an area within the City to be designated a redevelopment tax increment financing district as defined in Minnesota Statutes, Section 469.174, Subdivision 10(a)(1); and

Whereas, in order to create a redevelopment tax increment financing district the City must make a determination that before the demolition of the substandard buildings, certain conditions existed; and

Whereas, in order to deem a parcel as being occupied by a structurally substandard building, the City must first pass a resolution before the demolition or removal that the parcel was occupied by one or more structurally substandard buildings and that after demolition and clearance the City intended to include the parcel within the proposed redevelopment tax increment financing district; and

Whereas, parcel #17-427-0102 contains one structurally substandard building to be demolished (the "Substandard Building Condition") as determined by the City's inspection completed pursuant Minnesota Statutes, Section 469.174, Subdivision 10 (c); and

Whereas, said parcel is deemed to be occupied by a structurally substandard building if the Substandard Building Condition is met within three years of the filing of the request for certification of the parcel as part of the redevelopment tax increment financing district with the county auditor, and if certain other conditions are met.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna as follows:

1. Parcel #17-427-0102 is occupied by a structurally substandard building and that after demolition or removal has commenced the City intends to include said parcel within a proposed redevelopment tax increment financing district.

2. The substandard building will be demolished or removed by the City or the demolition or removal will be financed by the City or be done by a developer under a development agreement with the City.

Passed and adopted this ____ day of _____, 2020, with the following vote:

Aye ____; No ____; Absent ____.

Approved and signed this ____ day of _____, 2020.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk.