

Councilmember \_\_\_\_\_ introduced the following resolution and moved its adoption:

**RESOLUTION # 23-126**

**APPROVING A BUSINESS SUBSIDY AND AUTHORIZING  
EXECUTION OF A TAX INCREMENT FINANCING (TIF) AGREEMENT  
AND APPROVING TERMS OF AN INTERFUND LOAN**

WHEREAS, Ramsey Properties, LLC (the "Developer") has requested the City of Ramsey, Minnesota (the "City") to assist with the financing of certain costs incurred in connection with the construction of an approximately 65,672 square foot 98-unit hotel and related facilities to be located in the City (the "Project").

WHEREAS, the Developer and the City have determined to enter into a Tax Increment Financing (TIF) Agreement providing for the City's assistance for the Project (the "TIF Agreement").

WHEREAS, the proposed assistance by the City to the Developer and the sale of certain real property by the City to the Developer at below market value as contemplated by the TIF Agreement is considered a business subsidy (the "Business Subsidy") pursuant to Minnesota Statutes, Sections 116J.993 to 116J.995 (the "Business Subsidies Act").

WHEREAS, a public hearing, pursuant to the Business Subsidy Act, was held on the date hereof.

WHEREAS, the City heretofore established Tax Increment Financing (Redevelopment) District No. 14 (the "TIF District") and adopted a Tax Increment Financing Plan (the "TIF Plan") therefor.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE  
CITY OF RAMSEY, MINNESOTA, AS FOLLOWS:**

1. TIF Agreement. The City Council hereby approves the TIF Agreement in substantially the form submitted, and the Mayor and City Administrator are hereby authorized and directed to execute the TIF Agreement on behalf of the City. The approval hereby given to the TIF Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the City officials authorized by this resolution to execute the TIF Agreement. The execution of the TIF Agreement by the appropriate officer or officers of the City shall be conclusive evidence of the approval of the TIF Agreement in accordance with the terms hereof.

2. Business Subsidy. The City Council hereby approves the granting of the Business Subsidy as described in the TIF Agreement.

3. Interfund Loan. The City has determined that it may pay for certain costs (the

"Qualified Costs") identified in the TIF Plan which costs may be financed on a temporary basis from the City's general fund or any other fund from which such advances may be legally made

(the "Fund"). Under Minnesota Statutes, Section 469.178, Subd. 7, the City is authorized to advance or loan money from the Fund in order to finance the Qualified Costs. The City intends to reimburse itself for the payment of the Qualified Costs, plus interest thereon, from tax increments derived from the TIF District in accordance with the following terms (which terms are referred to collectively as the "Interfund Loan"):

(i) The City shall repay to the Fund from which the Qualified Costs are initially paid, the principal amount of \$434,511 for land write-down costs and \$25,000 for other City costs related to the Project (or, if less, the amount actually paid from such fund) together with interest at 5.00% per annum (which is not more than the greater of (i) the rate specified under Minnesota Statutes, Section 270C.40, or (ii) the rate specified under Minnesota Statutes, Section 549.09) from the date of the payment.

(ii) Principal and interest on the Interfund Loan ("Payments") shall be paid semi-annually on each February 1 and August 1 commencing with the first February 1 or August 1 occurring after the date the tax increments from the TIF District are available and not otherwise pledged to and including the earlier of (a) the date the principal and accrued interest of the Interfund Loan is paid in full, or (b) the date of last receipt of tax increment from the TIF District ("Payment Dates") which Payments will be made in the amount and only to the extent of available tax increments. Payments shall be applied first to accrued interest, and then to unpaid principal.

(iii) Payments on the Interfund Loan are payable solely from the tax increment generated in the preceding six (6) months with respect to the TIF District and remitted to the City by Anoka County, all in accordance with Minnesota Statutes, Sections 469.174 to 469.1794, as amended. Payments on this Interfund Loan are subordinate to any outstanding or future bonds, notes or contracts secured in whole or in part with tax increment, and are on parity with any other outstanding or future interfund loans secured in whole or in part with tax increments.

(iv) The principal sum and all accrued interest payable under this Interfund Loan are pre-payable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Interfund Loan.

(v) The Interfund Loan is evidence of an internal borrowing by the City in accordance with Minnesota Statutes, Section 469.178, Subd. 7, and is a limited obligation payable solely from tax increment pledged to the payment hereof under this resolution. The Interfund Loan and the interest hereon shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, nor any political subdivision thereof

shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of tax increment, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on the Interfund Loan or other costs incident hereto. The City shall have no obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination of the TIF District.

(vi) The City may amend the terms of the Interfund Loan at any time by resolution of the City Council, including a determination to forgive the outstanding principal amount and accrued interest to the extent permissible under law.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember \_\_\_\_\_, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 13th day of June, 2023.

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Mayor

**ATTEST:**

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City Clerk