

**TAX INCREMENT FINANCING DEVELOPMENT AGREEMENT  
FOR INCOME ELIGIBLE PARTICIPANTS IN  
OSAKIS PROPERTIES HOUSING SUBDIVISION**

WHEREAS, the it is the intent of the City of Osakis to provide Tax Increment Financing assistance to income eligible Families who purchase lots and construct a home in the Osakis Properties Housing Subdivision for the purpose of making the improved lots affordable and available to low and moderated income families; and

WHEREAS, \_\_\_\_\_ (the buyer) has requested TIF assistance; and,

WHEREAS, the buyer intends to purchase Lot \_\_\_\_\_, Block \_\_\_\_\_ of First Addition to Osakis Properties Housing Subdivision, City of Osakis, Douglas County, Minnesota; and,

WHEREAS, Families must meet the following definition of "Low to Moderate Income":

For owner occupied residential property, 95% of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under Section 143(f) of the Internal Revenue Code. Generally, the initial occupants must have incomes of 100% or less of statewide median income for families of two or less, and 115% of statewide median income for families of three or more. For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code. A rental property also satisfies the requirements if 50% of the residential units in the project are occupied by individuals whose income is 80% or less of the area median gross income; and,

WHEREAS, attached to this Agreement, and incorporated by reference, is a completed and verified TIF Eligibility Determination Application which evidences the eligibility for TIF assistance; and,

WHEREAS, the City, pursuant to Minnesota Statutes, Sections 469.174 to 469.179 (the "TIF Act") has adopted a program to encourage redevelopment and job growth; and

WHEREAS, On February 7, 2000, the City Council of the City of Osakis adopted a Resolution approving the creation of Tax Increment Financing District No. 1-5, to allow for the development of housing in the community; and

WHEREAS, Said resolution approved the Tax Increment Finance Plan relating thereto.

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

- I. The City agrees to the following:
  - A. In consideration of Public Improvements which have been/will be made to the development Property and resulting assessments which have been or will be levied, the City will utilize tax increments to reduce the special assessments on a per lot basis by \$7,500 for income eligible families.
  - B. If a home is NOT constructed or completed within one year from the date of this agreement, the TIF assistance will be due and payable to the city plus interest at the rate of the bonds issued to fund improvements plus 2%.

II. The Eligible Family agrees to the following:

To proceed with the construction of a single family dwelling unit within one year of purchasing the lot with the dwelling unit having an total estimated market value of not less than \$120,000 as evidenced by County Assessors Valuation of the property for real estate tax purposes. The Family further agrees to keep all real estate taxes payable current.

IN WITNESS OF THE ABOVE, the parties have cause the Agreement to be executed on the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_.

City of Osakis:

By: \_\_\_\_\_

Angela A. Jacobson

Its: City Clerk

By: \_\_\_\_\_

Keith E. Emerson

Its: Mayor

STATE OF MINNESOTA )  
 ) ss  
COUNTY OF DOUGLAS )

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, before me a Notary Public within and for said County, personally appeared Angela A. Jacobson and Keith E. Emerson, to me personally known, who being by me duly sworn, did say they were the City Clerk and Mayor of the City of Osakis, as named in the foregoing instrument, and that the seal affixed to said instrument was signed and sealed on behalf of said entity by authority of the City and Angela A. Jacobson and Keith E. Emerson acknowledged said instrument to be the free act and deed of the City.

Notary: \_\_\_\_\_

Applicant/Family:

By: \_\_\_\_\_

STATE OF MINNESOTA )  
 ) ss  
COUNTY OF DOUGLAS )

On this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_, before me a Notary Public within and for said County, personally appeared \_\_\_\_\_, to me personally known, who being by me duly sworn, did say he/she is the purchaser of Lot \_\_\_\_\_, Block \_\_\_\_ of Osakis Properties Housing Subdivision acting as the owner of the property listed in the foregoing instrument, as named in the foregoing instrument, and acknowledged said instrument to be the free act and deed of said family.

Notary: \_\_\_\_\_