Osseo Area Schools

MEMO

TO: Dr. Kim Hiel, Superintendent
FROM: John Morstad, Executive Director of Finance and Operations
SUBJECT: Granting of Abatement
DATE: 8/25/2026

Recommendation
We recommend that the school board grant the abatement as presented at the August 18, 2026, special meeting.

Background
To finance the Crest View project in compliance with all applicable state laws, the District needed to adjust the original funding strategy for the Building a Better Future projects. When the school board directed administration to move from a renovation to a complete rebuild of Crest View, staff identified funding solutions that would support the project while remaining within the voter-approved authorization and tax impact.

The original financing plan anticipated using Long-Term Facilities Maintenance (LTFM) funding for a significant portion of the Crest View project. However, once the project changed to a complete rebuild, it no longer qualified for LTFM funding, requiring the District to revise its financing strategy.

Under the revised plan, parking lot projects originally funded through voter-approved school building bond proceeds will instead be financed through abatement bonds. By reducing the amount of LTFM bonds issued, the District creates capacity for the abatement bonds while freeing additional school building bond funds to address the Crest View funding gap.

The proposed abatement bonds do not increase the overall voter-approved authorization. Rather, they serve as a financing tool that aligns projects with the appropriate funding sources while remaining within voter-approved tax limits.

Next Steps
Upon approval by the school board, administration then ask for a formal granting of the abatement in conjunction with the approval of the sale of abatement bonds along with the previously approved school building bond sale approval.

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