

ALBERT LEA AREA SCHOOLS

RESOLUTION NO. _____

RESOLUTION GRANTING A PROPERTY TAX ABATEMENT

BE IT RESOLVED by the School Board (the “Board”) of Independent School District No. 241, Albert Lea Area Schools, Minnesota (the “School District”) as follows:

Section 1. Recitals.

1.01. D & S Holdings of Albert Lea is the owner of certain real property located at 77917 209th Street, Albert Lea, Minnesota, identified as Parcel Identification Number 34.433.0010 “Abatement Property”).

1.02. D & S Holdings of Albert Lea and/or Pro Manufacturing, or an affiliated entity to be formed (the “Business”), proposes to expand the Pro Manufacturing business within the City of Albert Lea, increasing or preserving tax base and providing employment opportunities within the School District and the City of Albert Lea (the “Project”).

1.03. Pursuant to Minnesota Statutes, sections 469.1812 through 469.1815, as amended (the “Tax Abatement Act”), the School District has determined a need to grant a property tax abatement on the Abatement Property (the “Abatement”) to the Business to assist in financing a portion of the costs of the Project. The Abatement will apply only to the School District’s share of real estate taxes generated by the increase in value and tax capacity above the current base value and base tax capacity of the Abatement Property. The Abatement will have a maximum term of up to 10 years, and no more, beginning with taxes payable in 2028.

1.04. On October 5, 2026, beginning at approximately 5:00 p.m., or as soon thereafter as the matter could be heard, the Board conducted a duly noticed public hearing on the proposed Abatement for the Project. The views of all interested persons were heard and considered at the public hearing.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this resolution.

2.02. The Board finds that the benefits to the School District from the Abatement will be at least equal to its costs because the Project is expected to expand an existing business, increasing or preserving tax base and providing employment opportunities within the School District and the City of Albert Lea.

2.03. The Board further finds that the Abatement is in the public interest because it will facilitate the Project and is expected to provide the public benefits described in Section 2.02.

2.04. The aggregate amount of Abatement shall not exceed \$43,000. The Board further finds that the Abatement does not constitute a business subsidy within the meaning of Minnesota Statutes, sections 116J.993 through 116J.995, as amended, because the aggregate amount of the Abatement is less than the statutory threshold for a business subsidy.

Section 3. Actions Ratified; Abatement Approved.

3.01. Subject to the provisions of the Tax Abatement Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

(a) The School District will pay the Abatement to the City of Albert Lea in semiannual

payments following receipt of the applicable real estate tax settlements for the May 15 and October 15 property tax payment cycles. The School District will remit each payment to the City within 60 days after receipt of the applicable tax settlement. Each payment will be based on the School District's share of taxes generated from the increase in value and tax capacity above the current base value and base tax capacity of the Abatement Property, calculated using the tax rates applicable for the relevant taxes payable year.

(b) In accordance with Section 469.1813, subdivision 8 of the Tax Abatement Act, in no year shall the Abatement, together with all other abatements approved by the School District under the Tax Abatement Act and paid in that year, exceed the greater of 10 percent of the net tax capacity of the School District for that year or \$200,000 (the "Abatement Cap"). The School District has previously granted certain abatements and may grant other abatements as permitted under the Tax Abatement Act after the date of this resolution. If the total School District abatements in any year exceed the Abatement Cap, the funds available for abatements shall first be allocated to abatements granted prior to this Abatement.

(c) The Abatement will begin with taxes payable in 2028 and will have a maximum term of up to 10 years, and no more.

(d) In accordance with Section 469.1815 of the Tax Abatement Act, the School District will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this Abatement Resolution.

(e) The School District makes no warranties or representations regarding the amount or availability of the Abatement in any year or during the Abatement Period.

(f) The School District's obligation to provide the Abatement is contingent upon the City of Albert Lea executing a loan agreement with the Business for the Project, and the School District shall have no obligation to make any Abatement payments unless and until such loan agreement has been fully executed.

3.02. Terms used in this Abatement Resolution but not defined herein shall have the meanings given to them in the Tax Abatement Act.

Section 4. Effective Date.

This resolution is effective upon adoption.

Adopted on October 5, 2026 by the School Board of Independent School District No. 241, Albert Lea Area Schools, Minnesota.

Board Chair

Attest:

Clerk