

PUBLIC HEARING -

Property Tax Abatement for Parking Lot Construction & Improvement Project

OCTOBER 27, 2025 - 6:00 PM

Agenda for Hearing

- 1. Statutory Authority for Tax Abatement
- 2. Scope of Parking Lot Projects
- 3. Tax Abatement Approval Process
- 4. Next Steps
- 5. Abatement Bonds and Property Tax Levy Information
- 6. Public Comments

Statutory Authority

Minnesota Statutes, Sections 469.1812 to 469.1815

- First authorized by the State in 1997
- Intended to be an economic development tool for local governments
- Minnesota Department of Education has interpreted the statute to allow school districts to issue abatement bonds only for the construction or renovation of parking lots and parking structures
- Debt service payments may not exceed the greater of 10% of the net tax capacity of the district or \$200,000



Scope of Parking Lot Projects

Parking lot construction & improvements at district facilities

Tax Abatement Process

- 1. Parcel(s) identified for abatement
 - School property tax amounts sufficient to cover annual debt service levies
 - Property owner(s) still pay taxes in the same manner and at same rates
 - District adds amount of "abated" taxes as an annual levy
- School Board adopts resolution calling for abatement hearing
- 3. Hearing notice published in newspaper
- 4. Hearing held
- 5. School Board adopts resolution granting abatement and authorizing the sale of bonds
- School district adds estimated amount of abated taxes to proposed tax levy for upcoming year
- 7. Proposal(s) on bonds are received, School Board awards the sale of bonds, and provides annual tax levies to Minnesota Department of Education



October 27, 2025 -Regular School Board Meeting

School Board: Resolution to Approve the Tax Abatement and Authorize the Issuance of General Obligation Tax Abatement Bonds, Series 2025A



December 8, 2025 -Regular School Board Meeting

School Board: Resolution to Award the Sale of General Obligation Tax Abatement Bonds, Series 2025A



December 30, 2025



Summer 2026

Bond Closing – District Receives Bond Proceeds Construction for Parking Lot Projects is Completed

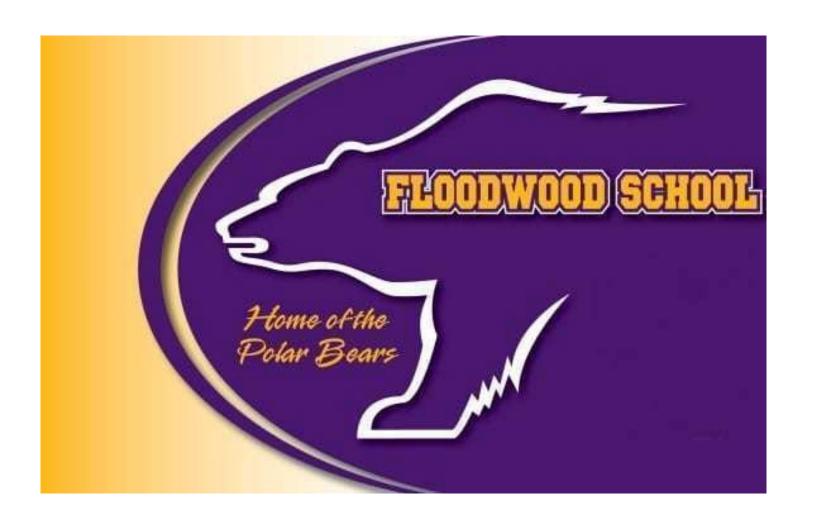
Next Steps



Abatement Bonds & Property Tax Levy Information

Amount of Tax Abatement Bonds to be Authorized is \$155,000

- Includes estimate of bond issuance costs
- 4 Year Term (number of annual property tax abatements/debt service levies is 4, effective beginning with taxes payable in 2027)
- Debt service levies are eligible for School Building Bond Agricultural Credit



Public Comments