



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

The image shows several rolled-up architectural blueprints for parking lot projects. The blueprints are white with black lines and text, featuring various dimensions and site plans. One blueprint prominently shows a large rectangular area with dimensions like 2500, 3175, and 1185. Another shows a smaller area with dimensions like 250, 710, and 1250. The blueprints are arranged in a way that they appear to be part of a larger set of plans.

Scope of Parking Lot Projects

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- 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
2. 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
6. 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

Bond Closing – District
Receives Bond Proceeds



Summer 2026

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
