



Waterville-Elysian-Morristown

ISD #2143

PUBLIC HEARING -

Property Tax Abatement for Parking Lot Construction
& Improvement Project

APRIL 22, 2024 - 6:30 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

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



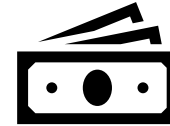
April 22, 2024 - Regular School Board Meeting

School Board: Resolution to Approve the Tax Abatement and Authorize the Issuance of General Obligation Tax Abatement Bonds, Series 2024A



May 9, 2024 – School Board Planning Session

School Board: Resolution to Award the Sale of General Obligation Tax Abatement Bonds, Series 2024A



May 30, 2024

Bond Closing – District Receives Bond Proceeds



Summer 2024

Construction for Parking Lot Projects is Completed

Next Steps



Abatement Bonds & Property Tax Levy Information

Amount of Tax Abatement Bonds to be Authorized is \$479,000

- Includes estimate of bond issuance costs
- 10 Year Term (number of annual property tax abatements/debt service levies is 10, effective beginning with taxes payable in 2025)
- Debt service levies are eligible for School Building Bond Agricultural Credit
- Estimated annual tax impact on a residential home with an Estimated Market Value of \$250,000 is approximately \$4 (33 cents per month)



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Public Comments
