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BOARD OF EDUCATION

Special Work Session Meeting - September 9, 2019 - 6:45 PM
Wayzata City Hall, 600 Rice Street, Wayzata

AGENDA

1. **CALL TO ORDER/ROLL CALL**

2. **ADMINISTRATIVE**

A. Property Tax Abatement Hearing

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3. **ADJOURN**



Public Hearing - Property Tax Abatement for Parking Lot Construction and Improvement Projects

SEPTEMBER 9, 2019



Agenda for Hearing

1. Statutory Authority for Tax Abatement
2. Scope of Parking Lot Projects
3. Tax Abatement Approval Process
4. Next Steps
5. Estimated Tax Impact
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 that local governments could use
- 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

Projects are slated to occur
across the district

Oakwood \$1.6 million

Kimberly Lane \$1.8 million

Sunset Hill \$1.0 million

High School \$1.0 million

Gleason Lake \$0.5 million

Other Projects \$2.0 million

Parking Lot Construction and Improvements

Total Project Cost Estimate: \$7,902,325

Includes:

- Testing
- Site Electrical
- Earthwork and Earth Moving
- Asphalt Paving
- Concrete Paving
- Pavement Markings
- Storm Utility Drain Piping

Tax Abatement Process

1. Parcels are identified for abatement
 - School property tax amounts sufficient to cover annual debt service levies
 - Owners of parcels 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. District publishes hearing notice in newspaper
4. District holds hearing related to abatement
5. School Board adopts resolution granting abatement
6. School district is allowed to add the amount of abated taxes to their tax levy for next year
 - Abatement levy would be effective for taxes payable in 2020

Next Steps

September 9, 2019 Regular School Board Meeting

- School Board Consideration of Resolution Granting Abatement
- School Board Consideration of Resolution Authorizing the Sale of Bonds and Setting Interest Rate Parameters for Bid Acceptance

October 10, 2019

- Ehlers Receives Bids for Sale of Bonds, Authorized Officials Approved Award of Bond Sale if Parameters Met

October 14, 2019 Regular School Board Meeting

- School Board Ratifies Award of Abatement Bonds

November 7, 2019

- Bond Closing – District Receives Proceeds

Spring/Summer 2020 to 2022

- Construction Period

Tax Impact

- \$8,000,000 Tax Abatement Bonds, 15 year term
 - ❖ Includes estimated bond issuance costs
- Number of Abatement/Debt Service Levies is 15
 - ❖ Effective Beginning with Taxes Payable in 2020
- Estimated Annual Tax Impact on \$300,000 Home is \$13
 - ❖ See separate tax impact chart for other values and types of properties

Public Comments

