

# THE CITY OF

**Troy Klecker**  
Community Development Director



# OWATONNA

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DATE: April 2, 2020

TO: Mayor and City Council

FROM: Community Development Department – Troy Klecker

SUBJECT: Resolution Setting Public Hearing to Establish Development District 14 and Tax Increment Financing District 14-1 for a 36 unit apartment building.

**Purpose:**

Set date for public hearing to consider establishing Development District 14 and Tax Increment Financing District 14-1 for a 36 unit apartment building.

**Background:**

LWO Properties, LLC is proposing to redevelop a commercial site into a 36 unit apartment building along Cherry Street, right behind Domino's Pizza. The developer has applied for and received tax credits from Minnesota Housing Finance Agency to assist with the financing and make the rents more affordable. The City has approved purchasing the property and has applied and received a \$138,775 grant from DEED to help with the demolition costs and environmental clean up of the site for the project. Tax Increment Financing is being pursued to reimburse the City for the upfront costs of purchasing the property. By purchasing the property, the City was able to help the developer get the tax credits needed for the project.

**Budget Impact:**

There are consulting fees for the TIF financing which will be paid by the HRA. Administrative costs will be figured into the TIF plan so that consulting expenses can be reimbursed through the life of the TIF District.

**Staff Recommendation:**

Staff recommends adoption of the resolution authorizing the setting of the public hearing for May 19, 2020.

RESOLUTION NO. 48-20

RESOLUTION ON THE PROPOSAL TO ADOPT DEVELOPMENT DISTRICT  
AND TAX INCREMENT FINANCING DISTRICT PLANS  
AND CALL FOR CONSULTATION WITH OTHER  
AFFECTED JURISDICTIONS AND PUBLIC HEARING  
(EASTGATE APARTMENTS REDEVELOPMENT PROJECT)

WHEREAS, a proposal to establish a development district and a tax increment financing district under the provisions of Minnesota Statutes, Chapter 469 (the "Act") has been received by the City Council; and

WHEREAS, the Act requires that prior to the establishment of a tax increment financing district, the City Council shall provide the County Auditor of Steele County and the Clerk of the School Board of Independent School District No. 761 with the proposed tax increment financing plan and the City's estimate of the fiscal and economic implications of the proposed tax increment financing district. The proposed plan and information on the fiscal and economic implications of the plan must be provided to the county auditor and clerk of the school board at least 30 days before the public hearing; and

WHEREAS, the Act further requires that prior to the establishment of a development district and a tax increment financing district and the adoption of a development district plan and tax increment financing plan a public hearing shall be held thereon.

NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Owatonna as follows:

1. Public Hearing. This City Council shall meet on Tuesday, May 19, 2020 at 7:00 p.m. to hold a public hearing on the following matters: (a) a proposal to establish Development District No. 14 and Tax Increment Financing District No. 14-1 and (b) the proposed adoption of a development district plan and tax increment financing plan relating thereto, all pursuant to and in accordance with the Act.

2. Notice of Hearing; Filing of Plan. The City Clerk is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the proposed Development District No. 14 and Tax Increment Financing No. 14-1 Plans on file in the Clerk's office at City Hall and to make such plan available for inspection by the public.

Passed and adopted this \_\_\_\_ day of \_\_\_\_\_, 2020, with the following vote:

Aye \_\_\_\_; No \_\_\_\_; Absent \_\_\_\_.

Approved and signed this \_\_\_\_ day of \_\_\_\_\_, 2020.

ATTEST:

\_\_\_\_\_  
Thomas A. Kuntz, Mayor

\_\_\_\_\_  
Kris M. Busse, City Administrator/City Clerk

NOTICE OF PUBLIC HEARING  
DEVELOPMENT DISTRICT NO. 14  
AND  
TAX INCREMENT FINANCING DISTRICT NO. 14-1

TO WHOM IT MAY CONCERN:

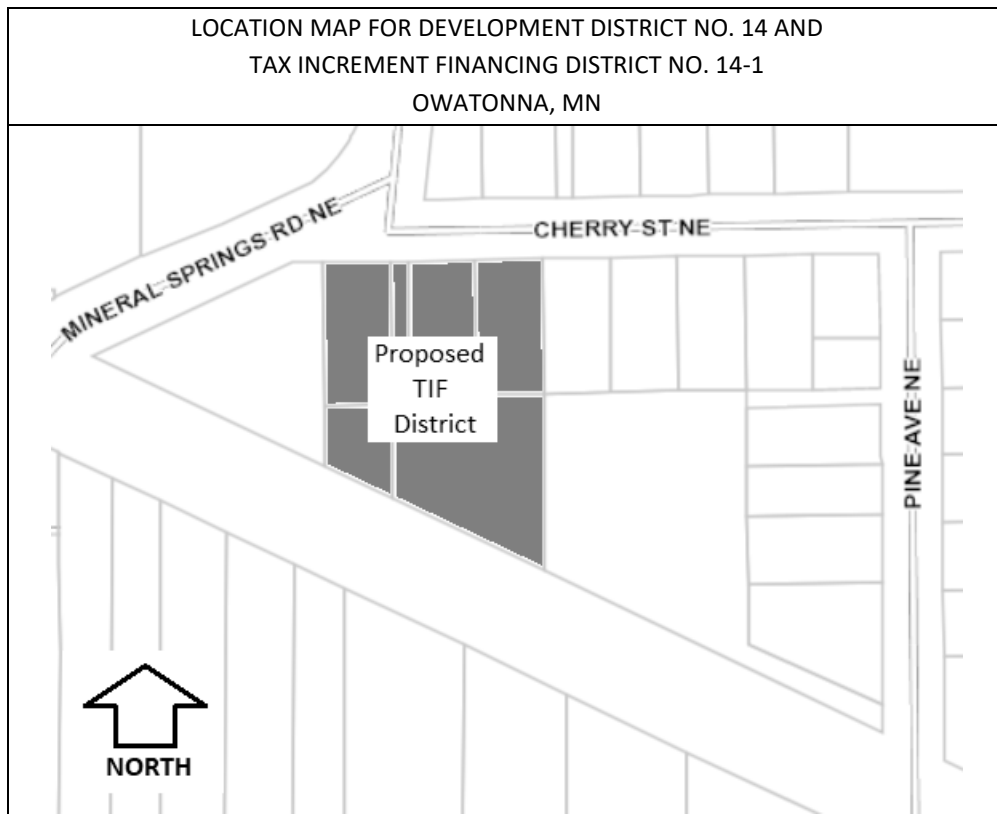
Notice is hereby given that the City Council of the City of Owatonna, Minnesota, will meet in the City Council Chamber at 540 West Hills Circle, Owatonna, Minnesota, at 7:00 p.m. on Tuesday, May 19, 2020, to consider adoption of a Development District Plan and Tax Increment Financing District Plan pursuant to Minnesota Statutes, Chapter 469.

A map showing the location of the proposed Development District and Tax Increment Financing District accompanies this notice. Such persons as desire to be heard with reference to the proposed development district and tax increment financing district plans will be heard at this meeting. Copies of the proposed plans are on file in the office of the City Clerk and available for public examination. Written or oral statements will be considered.

Dated: This 7<sup>th</sup> day of April 2020.

BY ORDER OF THE OWATONNA CITY COUNCIL

By: \_\_\_\_\_  
Kris M. Busse, City Administrator/City Clerk



(Publish May 8, 2020)