

THE CITY OF

Troy Klecker
Community Development Director



OWATONNA

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DATE: May 29, 2020
TO: Mayor and City Council
FROM: Community Development Department – Troy Klecker
SUBJECT: Development District 15 and Tax Increment Financing District 15-1
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Purpose:

Request Council approve Resolution 77-20 to set the date for the public hearing to consider establishing Development District 15 and Tax Increment Financing District 15-1 for a 36 unit apartment building at 660 Mound Street SW.

Background:

Schrom Construction is proposing to redevelop this commercial site into a 36 unit market rate apartment building. The property is directly behind the commercial building containing Starbucks and Papa Murphy's Pizza on West bridge Street. Currently, there is a commercial building occupied by RK&T Construction on this site. The developer requests the use of tax increment financing to help with the costs of demolition of the existing building and the site development costs for the project. A public hearing was scheduled for June 16th but because not all the legal notices were properly sent we are rescheduling the public hearing for 3 weeks later. There will also be a resolution presented to the City Council to make the property eligible for TIF, but not approving TIF, for the project.

Budget Impact:

There are consulting fees for the TIF financing which will be paid by the EDA. 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 77-20 authorizing the setting of the public hearing for July 7, 2020.

RESOLUTION NO. 77-20

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
(660 MOUND STREET, 36-UNIT APARTMENT 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, and

WHEREAS, Resolution 63-20 approved May 5, 2020 set this public hearing for June 16, 2020; however, because of rescheduling for notification process approving a new resolution ensures the statutory timeframe for review of the tax increment financing district is adhered to.

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, July 7, 2020 at 7:00 p.m. to hold a public hearing on the following matters: (a) a proposal to establish Development District No. 15 and Tax Increment Financing District No. 15-1 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. 15 and Tax Increment Financing No. 15-1 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 June 2020, with the following vote:

Aye _____; No _____; Absent _____.

Approved and signed this _____ day of June 2020.

ATTEST:

Thomas A. Kuntz, Mayor

Kris M. Busse, City Administrator/City Clerk

NOTICE OF PUBLIC HEARING ON
DEVELOPMENT DISTRICT NO. 15
AND
TAX INCREMENT FINANCING DISTRICT NO. 15-1

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, July 7, 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 26th day of June 2020.

BY ORDER OF THE OWATONNA CITY COUNCIL

By _____
City Clerk

