

# Memo

**To:** Char Stark – Finance Director  
**From:** Stacie Kvilvang - Ehlers  
**Date:** July 22, 2019  
**Subject:** Tax Abatement Bonds, Series 2019A

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The City is moving forward with the construction of a trail along Marie and Oakdale Avenues. The project is expected to cost approximately \$2,276,000, of which the City has secured \$1,043,618 in grant funds to offset the cost. The remaining cost needs to be financed with a general obligation tax abatement bond. To meet the City's financing parameters, it is anticipated that the City will issue these bonds in an amount not to exceed \$1.385 million, with a 15-year term.

The City has the authority under Minnesota Statute 469 to issue abatement bonds for this project. In order to grant tax abatement, the City is required to hold a public hearing on the amount of the abatement to be granted, identify the properties from which they will abate the City's portion of the taxes and describe the public purpose for granting the abatement.

The City will be abating its portion of the taxes from the following two properties:

Lowes	PID 42-46300-01-012
Culvers	PID 42-02000-62-020

These parcels were selected because they are larger tax payers, are not currently located in a TIF district and likely will not be redeveloped over the term of the bonds. It should be noted that identifying these parcels for abatement through this process does not affect in any way the taxes that would otherwise be calculated or paid by them or in relation to the rest of the parcels in the City.

The public purpose in granting the abatement is that the City expects the benefits to the City of the abatement to at least equal to or exceed the costs to the City and that granting the abatement is in the public interest (see attached resolution for public interest findings).

Please contact either of us at 651-697-8500 with any questions.