

**EDAP BOARD MEETING
WISH'N WELL CAFÉ
OCTOBER 21, 2014
7:00 A.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. KPayne Building – Additional Small Cities Grant Funds (page 3)
 - B. Tax Abatement Request – Yarmon Ford (page 5)
 - 1. Currently in place (page 10)
 - 2. Information (page 17)
 - 3. Other City Examples (page 22)
- IV. OLD BUSINESS
 - A. Billboard (page 49)
 - B. Economic Status Of Community – Update
 - C. Past Due Loans – Update
 - D. Industrial Land – Update
 - E. Maps – Update
- V. INFORMATIONAL
 - A. Revolving Loan Report (page 51)
- VI. ADJOURN

***** Please call or email Renee at 320-243-3714 ext. 227 or at renee@paynesvillemn.com if you are not able to attend the meeting.*****

Members: Don Pietsch, Don Wiese, Bruce Stang, Chris Stanley, Alan Habben, Jean Soine, and Kay McDaniel. Advisory Member: Renee Eckerly.

This agenda has been prepared to provide information regarding an upcoming meeting of the EDAP Board. This document does not claim to be complete and is subject to change.

BARRIER FREE: All EDAP Board meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: October 21, 2014

Agenda Section: Consent Agenda

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the minutes from July 15, 2014 EDAP Board Meeting.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the July 15, 2014 EDAP Board Meeting.

**MINUTES
EDAP BOARD MEETING**

JULY 15, 2014

Jean Soine called the meeting to order at 7:00 a.m. Members present were Bruce Stang, Kay McDaniel, Don Pietsch, Chris Stanley, and Renee Eckerly, City Administrator. Don Wiese and Al Habben were absent.

Motion was made by McDaniel to approve the minutes of the June 17, 2014 EDAP Board Meeting. Seconded by Stang and unanimously carried.

SMALL CITIES GRANT

It was discussed whether or not to allow businesses that had a loan once, but didn't follow up with a contractor; have another grant. The Board would like the individual to come and discuss the issue to see if a revolving loan would be better. Eckerly reported that the Council approved the Housing Study so Eckerly will work with Tri-CAP on the cost to apply for more Small Cities Grant funding. Last time it was in the amount of \$1.3 million dollars. EDAP also worked with Tri-CAP from 1999 – 2007 and did a \$2,500.00 first time home buyers program.

TIF - STANG

Stang is proposing a 37,680 square foot building that will not connect to the existing building. This would move the main manufacturing from the main building on Minnie St. currently. Stang is planning on retaining the Minnie St. building plus possibly adding 3 more employees.

Motion was made by Stanley to approve the TIF District 1-15 and recommend such to the City Council. Seconded by Pietsch and unanimously carried.

ECONOMIC STATUS OF COMMUNITY

The Board discussed the Credit Union Building, Jack's Oil, Pay Del Co, Premier Motors, and Dennis Wilson.

The Board discussed retail versus internet buying and the effects of it to the downtown area of communities.

There being no further business the meeting was adjourned at 7:50 a.m.

Jennifer Welling

From: Renee Eckerly
Sent: Wednesday, September 10, 2014 10:58 AM
To: Jennifer Welling
Subject: FW: KPayne Bldg.

Please put on next months EDAP meeting agenda. Under new business.
Thank you

Renee Eckerly
City Administrator
City of Paynesville
(320) 243-3714 ext. 227
Fax (320) 243-3713

From: Renee Eckerly
Sent: Wednesday, September 10, 2014 10:57 AM
To: 'K1 Sportswear'
Cc: ACCOUNTING@K1HOCKEY.COM; 'Doris Washington'
Subject: RE: KPayne Bldg.

Marty,
Since the additional funding you are requesting is for new projects for your building of which you were not aware of at the time you previously applied. You can continue with your 2nd loan application. I will present this to the EDAP Board next month. I have included Doris Washington, Tri-Cap on this.
Thank you for having a business in Paynesville!
Sincerely,

Renee Eckerly
City Administrator
City of Paynesville
(320) 243-3714 ext. 227
Fax (320) 243-3713

From: K1 Sportswear [<mailto:k1marty@aol.com>]
Sent: Wednesday, September 10, 2014 10:06 AM
To: Renee Eckerly
Cc: ACCOUNTING@K1HOCKEY.COM
Subject: KPayne Bldg.

Renee,

Hello,

9/10/14

Per our phone conversation this morning Kpayne LLC. is seeking additional small city grant funds to repair and insulate a portion of the roof at 114 James Street W. We have received one estimate for \$4,000, this

amount may increase to \$5,000 depending on the amount of insulation and repairs needed once they start the job.

We are also seeking funds to up date our lighting in the building to brighter modern energy efficient lighting, we have not received any bids for this project, I anticipate the lighting to be \$2,000-\$3,000.

Please contact me if you need any further information. Thank you.

Marty
KPayne LLC
800-345-0028

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: EDAP Board

Committee/Council Meeting Date: October 21, 2014

Agenda Section: New Business

Originating Department: Administration

Item Number: III - B

ITEM DESCRIPTION: Tax Abatement Request – Yarmon Ford

Prepared by: Staff

COMMENTS:

Renee Eckerly will give a verbal report. Please review the attached written request and information regarding tax abatements.

The parcel in questions is	70.38748.0007
Current Value	\$161,900.00 (land) \$326,300.00 (building)
Current Taxes	\$4,000.00 (annually for the City only) \$15,000.00 (total all amenities)
Million Dollar Project	\$20,000.00 (tax increase) \$8,700.00 (City's portion)
City Tax Capacity	\$1,394,716.00
City Tax Rate	43.83 (on commercial)

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to _____.

5

P.O. Box 23
640 DIEKMANN DRIVE
PAYNESVILLE, MN 56362

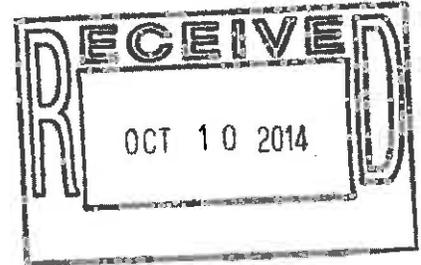
YARMON



YOUR DEALER, YOUR WAY
Since 1988

PHONE: 320-243-4235
1-800-243-4235
FAX: 320-243-4954

October 10th, 2014



Paynesville City Council
221 Washburne Avenue
Paynesville, MN 56362

**Request from Stan Yarmon
DBA Yarmon Ford Inc.**

Yarmon Ford is planning a building project of approximately 1.2 million dollars. As you know, a project of this size is very difficult to undertake without some type of assistance.

I am requesting preliminary approval from the Paynesville City Council for a 10 year tax abatement of property taxes on this project.

I know there is a formal application that must be filed but without city preliminary approval there would be no need to proceed with the process.

I am aware that the city has never given tax abatement, but I believe by doing so it would give the existing and future retail business a boost just as TIF does for the manufacturing industry. Both types of businesses are needed for the city to survive and grow.

I do not expect an answer on this request at this meeting, but hope you will give it serious consideration and notify me of your decision in the near future.

Thank You,

A handwritten signature in black ink, appearing to read "Stan Yarmon".

Stan Yarmon
Yarmon Ford Inc.



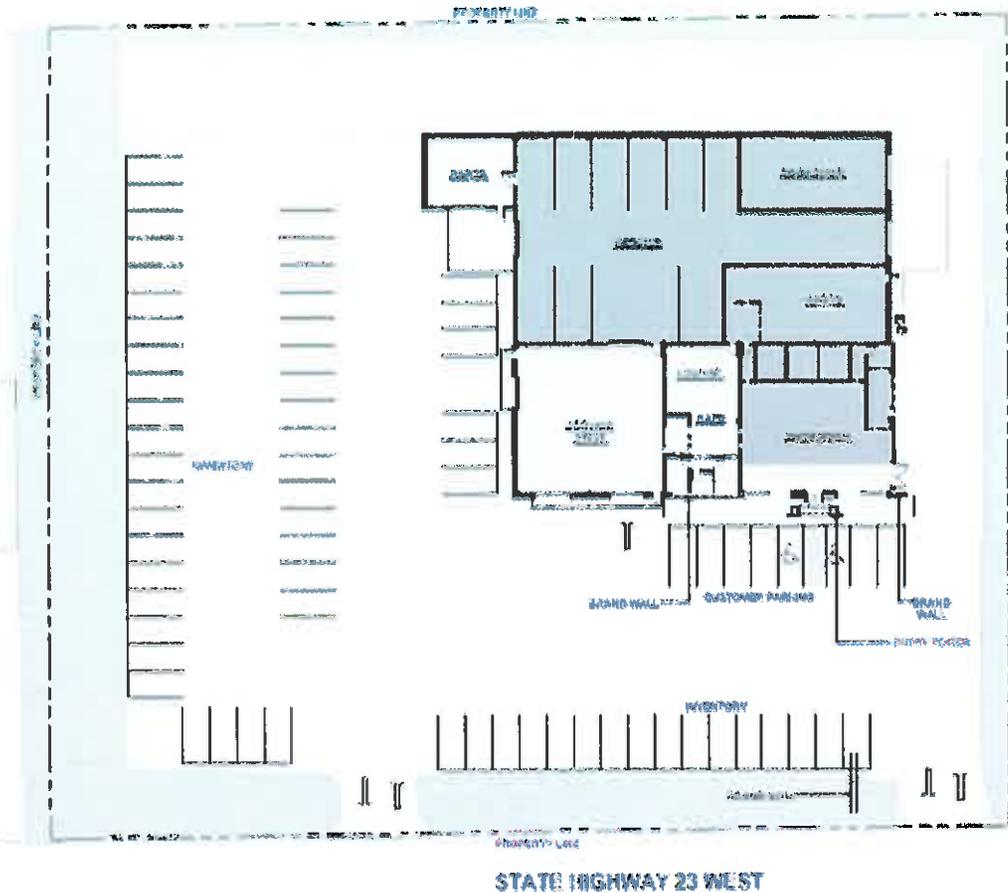
Yarmon Ford
Paynesville, MN
08.20.2014



Dealer Submitted Design



2



EXISTING	
EXISTING LAND	1.13 acres
TOTAL	1.13 acres

TOTAL FORD RV - 241		
EXISTING LAND	REQUIRED	EXISTING
NET AVAILABLE LAND	1.13 acres	1.13 acres

NOTE:
 SITE CIRCULATION & LANDSCAPE AREAS ARE NOT INCLUDED IN NET AVAILABLE LAND.
 LOCAL ARCHITECT TO VERIFY ALL EXISTING BUILDING CONDITIONS.

Yarmon Ford

Site Plan

Dealer Submitted Design



A 010

DATE:
06.29.2014

CITY / STATE:
FARGO, MN

ADDITIONAL PHOTOGRAPHICAL DRAWINGS AND
 DETAILS FOR THE FORD TRUCK/MARK FACILITY
 DESIGN CAN BE FOUND AT
WWW.FORDTRUCKMARKDESIGN.COM



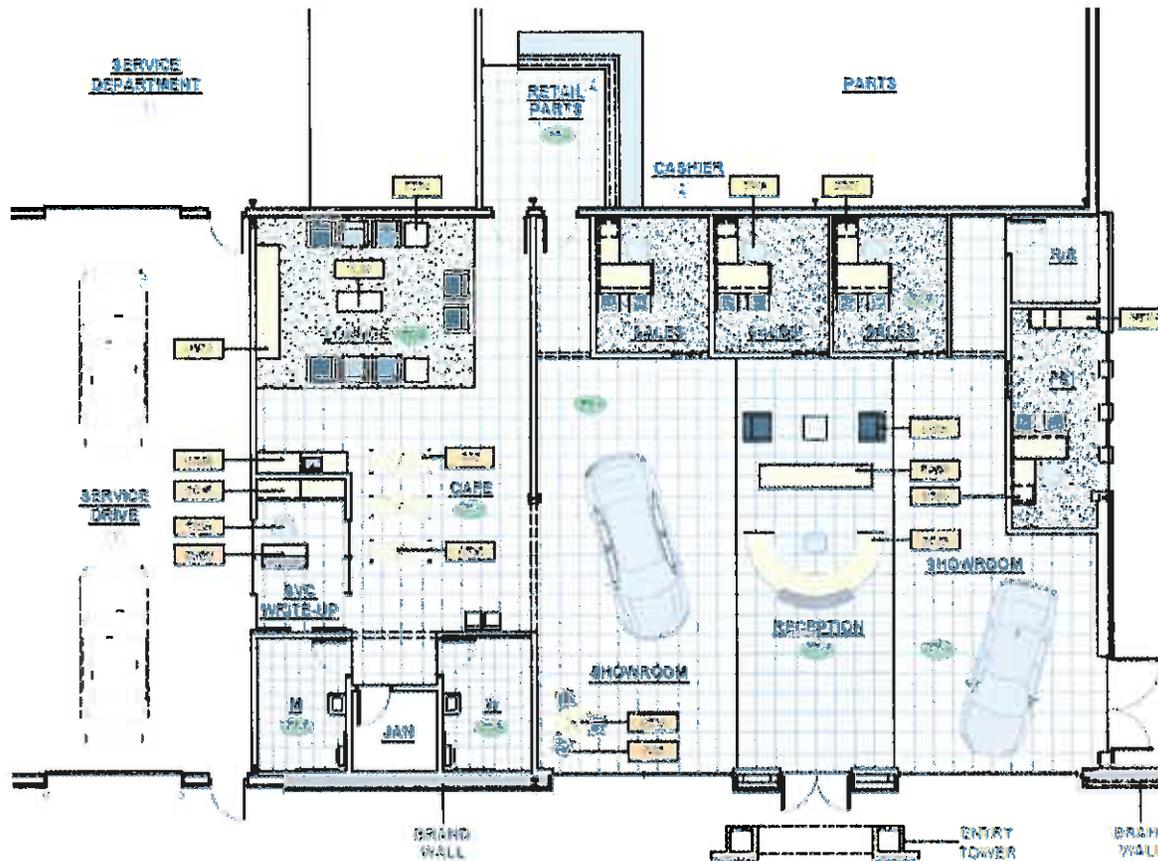
These drawings are for conceptual design only and are not intended for construction or for use on any other project.
 All contents on this sheet are confidential.
 Other than the rights therein are and will remain the property of Ford Motor Company.



Scale
1" = 40'-0"



2



MECHANICAL SYMBOLS AND DESCRIPTIONS					
ITEM NO.	QTY	DESCRIPTION	UNIT	DATE	REVISIONS
MECH-01	1	MECHANICAL ROOM	M		
MECH-02	1	MECHANICAL ROOM	M		
MECH-03	2	MECHANICAL ROOM	M		
MECH-04	1	MECHANICAL ROOM	M		
MECH-05	1	MECHANICAL ROOM	M		
MECH-06	1	MECHANICAL ROOM	M		
MECH-07	1	MECHANICAL ROOM	M		
MECH-08	1	MECHANICAL ROOM	M		
MECH-09	1	MECHANICAL ROOM	M		
MECH-10	1	MECHANICAL ROOM	M		
MECH-11	1	MECHANICAL ROOM	M		
MECH-12	1	MECHANICAL ROOM	M		
MECH-13	1	MECHANICAL ROOM	M		
MECH-14	1	MECHANICAL ROOM	M		
MECH-15	1	MECHANICAL ROOM	M		
MECH-16	1	MECHANICAL ROOM	M		
MECH-17	1	MECHANICAL ROOM	M		
MECH-18	1	MECHANICAL ROOM	M		
MECH-19	1	MECHANICAL ROOM	M		
MECH-20	1	MECHANICAL ROOM	M		
MECH-21	1	MECHANICAL ROOM	M		
MECH-22	1	MECHANICAL ROOM	M		
MECH-23	1	MECHANICAL ROOM	M		
MECH-24	1	MECHANICAL ROOM	M		
MECH-25	1	MECHANICAL ROOM	M		
MECH-26	1	MECHANICAL ROOM	M		
MECH-27	1	MECHANICAL ROOM	M		
MECH-28	1	MECHANICAL ROOM	M		
MECH-29	1	MECHANICAL ROOM	M		
MECH-30	1	MECHANICAL ROOM	M		

MECHANICAL SYMBOLS AND DESCRIPTIONS			
ITEM NO.	QTY	DESCRIPTION	REMARKS
MECH-31	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-32	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-33	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-34	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-35	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-36	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-37	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-38	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-39	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-40	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-41	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-42	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-43	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-44	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-45	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-46	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-47	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-48	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-49	1	MECHANICAL ROOM	MECHANICAL ROOM
MECH-50	1	MECHANICAL ROOM	MECHANICAL ROOM

- NOTES:
- SEE SERVICE DEPARTMENT DETAILS FOR ADDITIONAL REQUIREMENTS. WALLS TO BE REINFORCED AND FLOOR TO BE CLEANED OR REPAIRED. SEE FINISH SCHEDULE FOR SERVICE DEPARTMENT FLOORING OPTIONS.
 - MILL WORK TO MATCH FORD STANDARDS.
- LOCAL ARCHITECT TO VERIFY ALL EXISTING BUILDING CONDITIONS.



Yarmon Ford

Proposed Enlarged First Floor Plan



A 201a Date: 08/26/2014 City: Clark, MN 55316

ADDITIONAL PHOTOGRAPHIC DRAWINGS AND DETAILS FOR THE FORD TRUST/FINANCIAL DESIGN CAN BE FOUND AT WWW.FORDTRUST/ARCHITECTURE.COM



These drawings are for coordination of design items only. These drawings are not suited or intended for construction or fabrication. All contents on this sheet are confidential. Information and all rights therein are and will remain the property of Ford Motor Company.



2

**MINUTES
E.D.A.P. BOARD MEETING**

July 18, 2000

Chairman, Pat Flanders called the meeting to order at 5:30 p.m. EDAP members present were Jean Soine, Chris Stanley, John Atwood, Mel Jones, Pete Jacobson, Jeff Thompson, absent was Don Pietsch. Also in attendance were Dennis Wilde, City Administrator and Dave Currens.

A motion was made by Jones and seconded by Jacobson to approve the minutes of the June 20, 2000 meeting and voucher numbers 54928, 54953, and 54955 for June 2000. The motion passed.

HEADING 4 HOME PROGRAM

The letter from Traci Ryan was reviewed. The City's commitment to this program was discussed and a financial commitment of \$3,000/lot was proposed.

A motion was made by Thompson and seconded by Stanley to subsidize the program with \$3,000 per lot. The motion passed unanimously.

STYME INDUSTRIES

John and Sandy Steinmetz are looking to expand their business (Styme Industries, Inc.) to Paynesville. It was discussed to buy the lot for them then forgive 10% of the cost of the lot each year for a period of 10 years while in business. Offer them a choice of Lots 12, 14, or 15. They 60 days to accept the offer in writing and must start construction within one year.

A motion was made by Flanders and seconded by Thompson to give Styme Industries, Inc. a choice of Lots 12, 14 or 15 and have 60 days to accept the offer in writing and must start construction within one year. The motion passed unanimously.

TOP LINE MANUFACTURING

Top Line Manufacturing is still three payments late, even after they made two payments on June 6, 2000. They will try to catch up by the end of the month as the loan is close to being finished.

PUBLIC HEARING RE: SUBSIDIES

The state law requires us to have a public hearing and publish our policy on subsidies. We need to set criteria for our requirements. Wilde recommends accepting the state criteria with a wage of \$9.03/hour including benefits.

10

A motion was made by Jacobson and seconded by Jones to accept the criteria in Exhibit 1 (attached) of \$9.03/hour in wages and benefits and set a Public Hearing for August 15, 2000 at 6:00 p.m. The motion passed unanimously.

LOT FOR SALE

The City has received an offer from Giltz Co., LLC for the lot located between the Country Inn and Yarmon Ford. Giltz Co., LLC has the purchase agreement signed with money in escrow. This would be an 8000 sq. ft. building (similar to Alco). This new business would offer 12 fulltime jobs and 28 part-time jobs with starting pay of \$7.50/hour. The building cost is estimated between \$400,000.00 - \$425,000.00 and would use local builders, as they do not have their own crews. The lot price is \$10,000.00 plus assessments totaling \$35,957.00.

A motion was made by Jones and seconded by Stanley to sell the land to Giltz Co., LLC in the amount of \$35,957.00. The motion passed unanimously.

INFORMATIONAL

The Revolving Loan Status Report was reviewed.

The meeting was adjourned at 6:20 p.m.

**PAYNESVILLE
CITY POLICY REGARDING
BUSINESS SUBSIDY CRITERIA**

The following business subsidy criteria are intended to satisfy the requirements of Minnesota Statutes 116J.993 through 116J.995 (the "Act"). The Term "City" mean collectively the City of Paynesville, and its (economic development authority) (housing and redevelopment authority) (port authority.)

Criteria

The City hereby expresses its support for the use of business subsidies that meet the below listed criteria.

1. But-for Test. There is a substantial likelihood that the project would not go forward without the business subsidy requested. This criteria must be supported be representations of the applicant for business subsidy.
2. Redevelopment. The project will remove, prevent or reduce blight or other adverse conditions of the property, thereby protecting the City's property values and the general public health, safety, and welfare.
3. Attraction of New Business. The project will attract or retain competitive and financially strong commercial and industrial companies, which offer the potential for significant growth in employment and tax base.
4. Highest and Best Land Use. The use of the business subsidy will encourage quality construction and promote the highest and best use of the land, consistent with the City's Comprehensive Plan.
5. Needed Services. The project will provide a needed service in the community, including health care, convenience and social services which are not currently available.
6. Unmet Housing Needs. The project will provide housing alternatives the community currently needs but are not available.
7. Economic Feasibility. The recipient can demonstrate that it has experience and adequate financing for the project, and that the project can be completed in a timely manner.
8. Impact on City Services and Infrastructure. The project will not significantly and adversely increase the demands for service needs in the City.
9. Job Creation. The project will create or retain jobs which pay at least \$9.03 in wages and benefits. The City may take into account the special needs of small or growth-phase businesses with potential to create high paying jobs in the future.
10. Tax Base. The project will increase the City's tax base and generate new property tax revenue.

Evaluation

The City will evaluate each request for a business subsidy on a case by case basis. Applicants for assistance shall complete an application form and supply all additional information requested by the City. Meeting all or a majority of our criteria does not mean a subsidy will be awarded or denied. A decision to approve or reject a request for subsidy will be based on the merits of the project and overall benefit to the community.

Valuation of a Business Subsidy

The City will calculate the value of assistance provided to a business in the following manner.

1. If the subsidy is a contribution or sale of real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City, less any amount paid.
2. If the subsidy is a loan, the amount of the subsidy will be the principal amount of the loan.
3. If the subsidy is a loan guarantee, the amount of the subsidy will be principal amount of the loan guaranteed.
4. If the subsidy takes the form of payments over time (such as pay-as-you-go tax increment) the amount of the subsidy will be the sum of projected payments, discounted to present value using a discount factor determined by the City which approximates the interest rate available to the business from a commercial lender.

Council Min From: 7/26/2000

A motion was made by Zimmerman and seconded by Soine to approve a \$3,000.00 subsidy per each of the two lots to be purchased by Stearns County HRA for the purpose of building two rental duplexes under the Heading 4 Home Program. The motion carried unanimously.

BUSINESS SUBSIDIES

A new State Statute requires the City to hold a Public Hearing stating our Criteria for giving business subsidies, for example, loans, TIF's, etc. EDAP adopted The City Policy Regarding Business Subsidy Criteria at its July 18th meeting and recommends the Councils approval. EDAP has set the Public Hearing for Tuesday, August 15, 2000 at 6:00 p.m. The State requires a public hearing every time the City participates in a subsidy. \$9.03 is the minimum, set by the state, in wages and benefits.

A motion was made by Peschong and seconded by Beek to approve the business subsidy criteria recommended by EDAP at its July 18, 2000 meeting. The motion carried unanimously.

SALE OF LOT

The City has received an offer on Lot 5, Block 1 between the Country Inn and Yarmon Ford. Glitz Company, LLC from Canton Ohio wants to build an 8,000-sq. ft. building and leases it to Family Dollar Stores. They have offered our asking price of \$10,000.00 plus all assessments totaling \$35,957.00. EDAP has approved the sale at is July 18th meeting.

This new business will offer 12 fulltime jobs and 28 part-time job with starting pay of \$7.50/hour. They want to start as soon as possible.

A motion was made by Zimmerman and seconded by Peschong to approve the purchase agreement with Glitz Company, LLC for the sale of Lot 5, Block 1, Diekmann Business Park. The motion carried unanimously.

PAYDELCO LOT FOR NEW BUSINESS

John and Sandy Steinmetz are looking for a new location for their business, Styme Industries, Inc. They have outgrown their current location, on their farm. Their work is similar to Louis Industries, only smaller. They attended the June 20th EDAP meeting and at the July 28th meeting EDAP voted to offer them their choice of Lots 12 for \$17,600.00, 14 for \$17,200.00 and 15 for \$15,250.00 in Industrial Park on a ten year, no interest loan, with 10% of the loan forgiven each year. If they sell or leave during that time, the remaining amount is due.

A motion was made by Soine and seconded by Beek to approve EDAP's recommendation of the offer of the choice of Lots 12, 14, or 15, PayDelCo, to John and Sandy Steinmtz for relocation of their business, Styme Industries, Inc., to Paynesville. The offer would be good for 60 days, and construction would have to start within 1 year. The motion carried

14

**MINUTES
SUBSIDIES PUBLIC HEARING**

August 15, 2000

At 6:00 p.m. Jones opened the Subsidies Public Hearing.

EDAP members present were Jean Soine, John Atwood, Pete Jacobson, Don Pietsch, Howard Caldwell and Dennis Wilde, City Administrator.

This hearing is for a business subsidy criteria intended to satisfy the requirements of Minnesota Statutes 116J.993 through 116J.995.

Being no further comments or questions Jones closed the Public Hearing at 6:02 p.m.

15

**MINUTES
E.D.A.P. BOARD MEETING**

August 15, 2000

Vice-Chairman, Mel Jones called the meeting to order at 5:40 p.m. EDAP members present were Jean Soine, John Atwood, Pete Jacobson, Don Pietsch and Howard Caldwell. Absent were Jeff Thompson, Pat Flanders, and Chris Stanley. Also in attendance was Dennis Wilde, City Administrator.

A motion was made by Caldwell and seconded by Jacobson to approve the Consent Agenda. The motion passed.

MNDOT BUILDING

The letter from MnDOT was reviewed their building and lot was offered to the EDAP Board for \$169,000.00. The City has decided not to purchase this site, does EDAP want to purchase it? After some discussion, Wilde will talk to Master Mark to see if they are interested in it.

At 5:45 p.m. Jones recessed the meeting.

At 6:02 Jones reopened the meeting.

SUBSIDIES

A motion was made by Jacobson and seconded by Caldwell to approve the Paynesville City Policy Regarding Business Subsidy Criteria. The motion passed.

The meeting was adjourned at 6:05p.m.

Property Tax Abatements for Economic Development

What is economic development property tax abatement?

Minnesota law authorizes political subdivisions to grant property tax abatements for economic development (e.g., to encourage a business to locate or expand at a location or to redevelop an area). Minn. Stat. §§ 469.1813-469.1816.

Abatements may be either permanent forgiveness or temporary deferral of property tax. Abatements can serve similar purposes to tax increment financing (TIF), a widely used development tool. The legislature enacted the abatement law in 1997 to provide an alternative to TIF and to supplement it.

These economic development tax abatements should be distinguished from property tax abatements that are granted by the county board primarily to correct errors (e.g., to reduce the assessor's market value or to change the classification of the property). Minn. Stat. § 375.192.

For what purposes may abatements be used?

The law allows abatements to be used for a broad range of projects and purposes, if the political subdivision finds that public benefits exceed the costs. Permitted uses of abatements include the following:

- General economic development, such as increasing the tax base or the number of jobs in the area
- Construction of public facilities or infrastructure (e.g., streets and roads)
- Redevelopment of blighted areas
- Providing access to services for residents (e.g., housing or retail would be common examples)
- Deferring or phasing in a large (over 50 percent) property tax increase
- Stabilizing the tax base resulting from the updated utility valuation administrative rules
- Providing relief for businesses with estimated market value of \$250,000 or less who have disrupted access due to public transportation projects

Which local governments can grant abatements?

Counties, cities, towns, and school districts may grant abatements of the taxes they impose. The governing body grants an abatement by resolution. For towns, action at the town meeting is not required. Taxes imposed by special taxing districts (e.g., watersheds or regional agencies) cannot be abated. Similarly, the state general property tax (on commercial/industrial and seasonal-recreational properties) cannot be abated. In the Twin Cities metropolitan area and on the Iron Range, the fiscal disparities tax cannot be explicitly abated. However, a political subdivision may increase its abatement amount to reflect the amount of the tax imposed under fiscal disparities. The abatement does not directly enter into the fiscal disparities calculations.

How long does an abatement apply?

The political subdivision sets the length of the abatement, which cannot exceed 15 years. The term can be extended to 20 years if only two of the three political subdivisions (city/town, county, and school district) grant an abatement.

What is the limitation on abatements?

The total amount of property taxes abated may not exceed the larger of:

- 10 percent of the net tax capacity of the political subdivision, or
- \$200,000.

How do the mechanics of abatement work?

The abatement resolution, approved by the political subdivision, specifies the duration and the amount of property taxes that will be abated. The political subdivision has considerable flexibility in setting the terms of the abatement; for example, it may set the abatement as a percentage of tax payable, a dollar amount, tax attributable to a portion of the parcel’s market value, or something else. The local government adds the abatement to its property tax levy for the year. (The abatement levy is not subject to levy limits.) The owner pays property tax on a parcel and the political subdivision uses the payments as provided by the abatement resolution. For example, the abatement may be used to pay bonds or be given back to the property owner.

May abatements be used to pay bonds?

The abatement law authorizes the issuance of bonds to be paid back with the abatements. For example, bonds could be issued to construct public improvements or to pay for a site for a business. As the property owners pay the abated taxes, they are used to pay the bonds. These bonds can be general obligation bonds or revenue bonds. The abatement bond provisions parallel those in the TIF law: the abatement bonds are not subject to referendum approval and are excluded from debt limits.

How do abatements compare with TIF?

The legislature designed the abatement law as an alternative to and a supplement to TIF. The two programs can be used for similar purposes and both rely upon property tax funding. Both programs have very similar bonding powers. However, abatement and TIF differ in important respects. Some differences include:

- TIF can be used for longer durations (up to 25 years in some cases) than abatements (typically 15 years)
- TIF requires approval only by the municipality (usually the city) to capture all local property taxes, while abatement requires each entity’s approval to capture its taxes and cannot capture special district taxes
- TIF use is subject to more legal restrictions than abatement. These include a blight test for redevelopment districts, but-for findings, and stricter limits on what increments may be spent on. Abatement is more flexible.

How widely has abatement been used?

The following amounts of abatement levies were reported for property taxes payable in 2011, as reported to the Departments of Revenue (cities and counties) and Education (schools).

	Number	Amount
Cities	62	\$8,152,836
Counties	31	3,211,570
Schools	8	881,069
Total	101	\$12,245,475

For more information: Contact legislative analyst Joel Michael at joel.michael@house.mn. Also see the House Research publication *Tax Increment Financing*, October 2011.

The Research Department of the Minnesota House of Representatives is a nonpartisan office providing legislative, legal, and information services to the entire House.

18

469.1813 ABATEMENT AUTHORITY.

Subdivision 1. **Authority.** The governing body of a political subdivision may grant a current or prospective abatement, by contract or otherwise, of the taxes imposed by the political subdivision on a parcel of property, which may include personal property and machinery, or defer the payments of the taxes and abate the interest and penalty that otherwise would apply, if:

(1) it expects the benefits to the political subdivision of the proposed abatement agreement to at least equal the costs to the political subdivision of the proposed agreement or intends the abatement to phase in a property tax increase, as provided in clause (2)(vii); and

(2) it finds that doing so is in the public interest because it will:

(i) increase or preserve tax base;

(ii) provide employment opportunities in the political subdivision;

(iii) provide or help acquire or construct public facilities;

(iv) help redevelop or renew blighted areas;

(v) help provide access to services for residents of the political subdivision;

(vi) finance or provide public infrastructure;

(vii) phase in a property tax increase on the parcel resulting from an increase of 50 percent or more in one year on the estimated market value of the parcel, other than increase attributable to improvement of the parcel; or

(viii) stabilize the tax base through equalization of property tax revenues for a specified period of time with respect to a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100.

Subd. 1a. **Use of term.** As used in this section and sections 469.1814 and 469.1815, "abatement" includes a deferral of taxes with abatement of interest and penalties unless the context indicates otherwise.

Subd. 2. **Abatement resolution.** (a) The governing body of a political subdivision may grant an abatement only by adopting an abatement resolution, specifying the terms of the abatement. In the case of a town, the board of supervisors may approve the abatement resolution. The resolution must also include a specific statement as to the nature and extent of the public benefits which the governing body expects to result from the agreement. The resolution may provide that the political subdivision will retain or transfer to another political subdivision the abatement to pay for all or part of the cost of acquisition or improvement of public infrastructure, whether or not located on or adjacent to the parcel for which the tax is abated. The abatement may reduce all or part of the property tax amount for the political subdivision on the parcel. A political subdivision's maximum annual amount for a parcel equals its total local tax rate multiplied by the total net tax capacity of the parcel.

(b) The political subdivision may limit the abatement:

(1) to a specific dollar amount per year or in total;

(2) to the increase in property taxes resulting from improvement of the property;

(3) to the increases in property taxes resulting from increases in the market value or tax capacity of the property;

(4) in any other manner the governing body of the subdivision determines is appropriate; or

(5) to the interest and penalty that would otherwise be due on taxes that are deferred.

(c) The political subdivision may not abate tax attributable to the areawide tax under chapter 276A or 473F, except as provided in this subdivision.

Subd. 3. School district abatements. An abatement granted under this section is not an abatement for purposes of state aid or local levy under sections 127A.40 to 127A.51.

Subd. 4. Property located in tax increment financing districts. The governing body of a political subdivision may not enter into a property tax abatement agreement under sections 469.1812 to 469.1815 that provides for abatement of taxes on a parcel, if the abatement will occur while the parcel is located in a tax increment financing district.

Subd. 5. Notice and public hearing. (a) The governing body of the political subdivision may approve an abatement under sections 469.1812 to 469.1815 only after holding a public hearing on the abatement.

(b) Notice of the hearing must be published in a newspaper of general circulation in the political subdivision at least once more than ten days but less than 30 days before the hearing. The newspaper must be one of general interest and readership in the community, and not one of limited subject matter. The newspaper must be published at least once per week. The notice must indicate that the governing body will consider granting a property tax abatement, identify the property or properties for which an abatement is under consideration, and the total estimated amount of the abatement.

Subd. 6. Duration limit. (a) A political subdivision may grant an abatement for a period no longer than 15 years, except as provided under paragraph (b). The abatement period commences in the first year in which the abatement granted is either paid or retained in accordance with section 469.1815, subdivision 2. The subdivision may specify in the abatement resolution a shorter duration. If the resolution does not specify a period of time, the abatement is for eight years. If an abatement has been granted to a parcel of property and the period of the abatement has expired, the political subdivision that granted the abatement may not grant another abatement for eight years after the expiration of the first abatement. This prohibition does not apply to improvements added after and not subject to the first abatement. Economic abatement agreements for real and personal property subject to valuation under Minnesota Rules, chapter 8100, are not subject to this prohibition and may be granted successively.

(b) A political subdivision proposing to abate taxes for a parcel may request, in writing, that the other political subdivisions in which the parcel is located grant an abatement for the property. If one of the other political subdivisions declines, in writing, to grant an abatement or if 90 days pass after receipt of the request to grant an abatement without a written response from one of the political subdivisions, the duration limit for an abatement for the parcel by the requesting political subdivision and any other participating political subdivision is increased to 20 years. If the political subdivision which declined to grant an abatement later grants an abatement for the parcel, the 20-year duration limit is reduced by one year for each year that the declining political subdivision grants an abatement for the parcel during the period of the abatement granted by the requesting political subdivision. The duration limit may not be reduced below the limit under paragraph (a).

Subd. 6a. **Deferment payment schedule.** When the tax is deferred and the interest and penalty abated, the political subdivision must set a schedule for repayments. The deferred payment must be included with the current taxes due and payable in the years the deferred payments are due and payable and must be levied accordingly.

Subd. 6b. **Extended duration limit; utilities.** Notwithstanding the provisions of subdivision 6, a political subdivision may grant an abatement for a period of up to 20 years, if the abatement is for a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100.

Subd. 7. **Review and modification of abatements.** The political subdivision may provide in the abatement resolution that the abatement may not be modified or changed during its term. If the abatement resolution does not provide that the abatement may not be modified or changed, the governing body of the political subdivision may review and modify the abatement every second year after it was approved.

Subd. 8. **Limitation on abatements.** In any year, the total amount of property taxes abated by a political subdivision under this section may not exceed (1) ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies, or (2) \$200,000, whichever is greater. The limit under this subdivision does not apply to:

- (i) an uncollected abatement from a prior year that is added to the abatement levy; or
- (ii) a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100.

Subd. 9. **Consent of property owner not required.** A political subdivision may abate the taxes on a parcel under sections 469.1812 to 469.1815 without obtaining the consent of the property owner. This subdivision does not apply to abatements granted to a taxpayer whose real and personal property is valued under Minnesota Rules, chapter 8100.

Subd. 10. **Applicability to utility properties.** When this statute is applied or utilized with respect to a taxpayer whose real and personal property is subject to valuation under Minnesota Rules, chapter 8100, the provisions of this section and sections 469.1814 and 469.1815 shall apply only to property specified or described in the abatement contract or agreement.

History: 1997 c 231 art 2 s 46; 1998 c 397 art 11 s 3; 1999 c 243 art 10 s 8-14; 1999 c 248 s 19; 2000 c 490 art 11 s 33-35; 1Sp2001 c 5 art 15 s 26; 2002 c 377 art 7 s 5; 2003 c 127 art 10 s 26; art 12 s 19; 1Sp2003 c 21 art 10 s 11; 2005 c 152 art 1 s 17; 2006 c 259 art 4 s 14-19; 2008 c 366 art 6 s 43; 2012 c 294 art 2 s 41

City of Zimmerman

Tax Abatement (MN Statutes 469.1812-469.1815)

The City may consider abatement of its taxes as a financial incentive to encourage desirable development or redevelopment that would not occur *but for* additional financial assistance. It is the intent of the City to provide the minimum amount of abatement, for the shortest term possible, to ensure the project proceeds. The City reserves the right to approve or reject projects on a case-by-case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits of the project. Benefits must include:

- Increase or preservation of tax base.
- Providing employment opportunities.
- Providing/constructing of public facilities or infrastructure.
- Redeveloping or renewing blighted areas.
- Providing access to services.

Tax Abatement

With tax abatement, the city rebates a portion of property taxes back to the property owner who then uses it to help offset development or redevelopment costs. Tax abatement is simpler and less restrictive than tax increment financing and is quite useful for smaller projects.

However, the availability of tax abatement is limited. In any given year, for all economic development projects taking place, the city can abate an amount equaling no more than 10% of its current net tax capacity.

Eligibility

Tax abatements can be provided for any type of property.

Requirements

The project must provide one or more of the following public benefits:

- Increase or preserve tax base
- Result in job creation or retention
- Redevelop blighted areas

Rates/Terms

Taxes can be abated for up to 15 years.

PDF – Development Agreement

City of Stewartville, Minnesota Business Subsidy Criteria Policy

1 PURPOSE AND AUTHORITY

- 1.1 The purpose of this document is to establish the criteria for the City of Stewartville, Minnesota (the "City") for granting of business subsidies for private development. The criteria shall be used as a guide in the processing and reviewing of applications requesting business subsidies. The business subsidy criteria contained herein amends the City's business subsidy criteria policy adopted on August 16, 1999.
- 1.2 The City's ability to grant business subsidies is governed by the limitations established in Minnesota Statutes 116J.993 through 116J.995 (the "Statutes").
- 1.3 Unless specifically excluded by the Statutes, business subsidies include grants by state or local government agencies, contributions of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient of the subsidy, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.
- 1.4 These criteria are to be used in conjunction with other relevant policies of the City.
- 1.5 The City may deviate from these criteria by documenting in writing the reason(s) for the deviation. The documentation shall be submitted to the Department of Trade and Economic Development with the next annual report.
- 1.6 The City may amend this document at any time. Amendments to these criteria are subject to public hearing requirements contained in the Statutes. The City may waive provisions of these criteria without holding a public hearing.

2 PUBLIC PURPOSE REQUIREMENT

- 2.1 All business subsidies must meet a public purpose.
- 2.2 The creation or retention of jobs may be, but is not required to be, a public purpose for granting a subsidy. Preference will be given to those projects that create jobs. The determination that jobs are not a public purpose for the subsidy and that the related wage and job goals for a subsidy shall be zero may be made following a public hearing on that question.

- 2.3 The creation of tax base shall not be the sole public purpose of a subsidy.
- 2.4 The wage floor for wages to be paid for the jobs created shall be 110% of the established federal minimum wage level in food service businesses, 120% of the established federal minimum wage level in commercial/banking/service businesses and 155% of the established federal minimum wage level industrial businesses. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy.

3 BUSINESS SUBSIDY APPROVAL CRITERIA

- 3.1 All new projects approved by the City should meet the following minimum approval criteria. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer.
- 3.2 To be eligible to receive a business subsidy, the recipient must meet the following minimum requirements:
 - a. The subsidy must achieve a public purpose.
 - b. The project must comply with local plans and ordinances.
 - c. The recipient shall provide information demonstrating that granting the subsidy is necessary for the proposed development to occur.
 - d. The recipient must enter into an agreement pursuant to these criteria and the Statutes.
- 3.3 A recipient of a business subsidy must enter into a subsidy agreement with the City as described in Section 4.
- 3.4 A recipient of a business subsidy must make a commitment to continue operations within the City for at least five years after the benefit date.
- 3.5 Any business subsidy will be at the lowest possible level and for the least amount of time necessary, after the recipient maximizes the use of private debt and equity financing first.

4 SUBSIDY AGREEMENT

- 4.1 In granting a business subsidy, the City shall enter into a subsidy agreement with the recipient that provides the information, wage and job goals, commitments to provide necessary reporting data and recourse for failure to meet goals required by the Statutes.
- 4.2 The subsidy agreement may be incorporated into a broader development agreement for a project.

Adopted by the City Council of Stewartville this 23rd day of March, 2004.

Chris Gray, Mayor

ATIEST:

Tony R. Chladek, City Administrator

Recommendation to Amend June 19, 2012 by the EDA

Council amended on July 10, 2012

DEVELOPMENT AGREEMENT

THIS AGREEMENT, made as of the ____ day of ____, ____ by and between the City of Stewartville (the "City"), a political subdivision and _____ Company, a Minnesota Corporation (the "Company"),

WITNESSETH:

WHEREAS, pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, the City has established a Tax Abatement Program; and

WHEREAS, the City believes that the development and construction of a certain Project (as defined herein), and fulfillment of this Agreement are vital and are in the best interests of the City will result in preservation and enhancement of the tax base, provide employment opportunities and is in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

Agreement means this Agreement, as the same may be from time to time to modified, amended or supplemented;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

City means the City of Stewartville, Minnesota;

Company means _____, a Minnesota corporation;

County means Olmsted County, Minnesota;

Event of Default means any of the events described in Section 4.1;

22

Legal and Administrative Expenses means the fees and expenses incurred in connection with the preparation of this Agreement;

Payment Date means August 1, _____ and December 1, _____, and each August 1 and December 1 of each year thereafter to and including December 1, _____13; provided, that if any such Payment Date should not be a Business Day, the Payment Date shall be the next succeeding Business Day;

Project means the construction by the Company of an approximate _____ square foot facility located in the City of Stewartville;

State means the State of Minnesota;

Tax Abatement Program means the actions by the City pursuant to Minnesota Statutes, Section 469.1812 through 469.1815, as amended, and undertaken in support of the Project;

Tax Abatements means the City's share of real estate taxes generated as a result of the Project and the Tax Abatement Program, excluding real estate taxes attributable to the land value.

Wage and Job Goals means the wage and job goals set forth in Section 3.9.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the City. The City makes the following representations and warranties:

- (1) The City is a political subdivision and has the power to enter into this Agreement and carry out its obligations hereunder.
- (2) The Tax Abatement Program within the meaning of Minnesota Statutes, Section 469.1812 through 469.1815 was created, adopted and approved and in accordance with the terms of the Tax Abatement Act.
- (3) The development contemplated by the Agreement is in conformance with the development objectives and policies set forth in City plans, codes and ordinances.
- (4) To finance the costs of the Project to be undertaken by the Company, the City proposes, subject to the further provisions of this Agreement, to apply the Tax Abatements to reimburse the Company for costs of the Project as further provided in this Agreement.

(5) The City has made the findings required by Minnesota Statutes, Sections 469.1812 through 469.1815, of the Tax Abatement Act for the Tax Abatement Program.

Section 2.2 Representations and Warranties of the Company. The Company makes the following representations and warranties:

(1) The Company has the power to enter into this Agreement and to perform its obligations hereunder and is not in violation of any local, state or federal laws.

(2) The Company is a corporation validly existing under the laws of this State and has full power and to enter into this Agreement and carry out the covenants and contained herein.

(3) The Company will cause the Project to be constructed in accordance with the terms of this Agreement and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations).

(4) The Company will obtain or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met before the Project may be lawfully constructed

(5) The construction of the Project would not be undertaken by the Company, and in the opinion of the Company would not be economically feasible within the reasonable foreseeable future, without the assistance and benefit to the Company provided for in this Agreement.

(6) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provision of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Company is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(7) The Company will cooperate fully with the City with respect to any litigation commenced with respect to the Project

(8) The Company will cooperate fully with the City in resolution of any traffic, parking, trash removal or public safety problems which may arise in connection with the construction and operation of the Project.

ARTICLE III

UNDERTAKINGS BY COMPANY AND CITY

Section 3.1 Construction of Project. The Company agrees that it will construct the Project in accordance with the approved construction plans and at all times prior to the termination of this Agreement will operate and maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept with that appurtenances and every part and parcel thereof, in good repair and condition.

Section 3.2 Commencement and Completion of Construction.

The Company shall complete construction of the Project by January 1, _____. All work with respect to the Project to be constructed or provided by the Company shall be in conformity with the construction plans as submitted by the Company and approved by the City.

Nothing in this Agreement shall be deemed to impair or limit any of the City's rights or responsibilities under its zoning laws or construction permit processes.

Section 3.3 Damage and Destruction. In the even of damage and destruction of the Project the Company shall rebuild the Project.

Section 3.4 Change in Use of Project. The City's obligation pursuant to this Agreement shall be subject to the continued operation of the Project by the Company.

Section 3.5 Prohibition Against Transfer of Project and Assignment of Agreement. The Company represents and agrees that prior to the termination date of this Agreement the Company shall not transfer the Project or any part thereof or any interest therein, without the prior written approval of the City. The City shall be entitled to require as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Company.

(2) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement and agreed to be subject to all the conditions and restrictions to which the Company is subject.

(3) There shall be submitted to the City for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this agreement or the Project.

Section 3.6 Wage and Job Goals.

(1) The City hereby establishes Wage and Job Goals with respect to the Project. The goals require the Company to create a minimum of ____ new jobs within 2 years of completion of the Project. These jobs must pay a wage not less than \$8.00 per hour.

(2) The Company shall provide for development of the Project so that the number of jobs created and the wages paid for such jobs will meet the Wage and Job Goals. On or before January 1 of each year the Company shall report to the City the number of jobs and the wages for such jobs in the preceding calendar year until such time as the Wage and Job Goals have been met.

(3) The City shall file the reports required by Minnesota Statutes, Section 116J.991, with the Minnesota Department of Trade and Economic Development.

(4) If the Company fails to meet the Wage and Job Goals, the company and the City shall enter into an agreement providing for repayment to the City of the financial assistance provided by the City to the Company pursuant to this Agreement.

(5) If Minnesota Statutes, Section 116J.991, is amended to reduce the City's obligations hereunder or repealed, this Section 3.4 shall be amended to conform to it or be deleted, respectively.

Section 3.7 Duration of Abatement Program. The Tax Abatement Program shall exist for a period of ten years beginning with real estate taxes payable in 2004 through 2013. The City shall on or before August 1 and December 1 of each year commencing August 1, ____ to and including December 1, ____ pay the Company the amount of the Tax Abatements in an amount not to exceed \$____ semiannually and a total amount of \$____. In the event the Tax Abatements are less than \$____ semiannually such actual amount of the Tax Abatements shall be paid to the Company. The City may choose to terminate the Tax Abatement Program and this Agreement at an earlier date if an Event of Default occurs and the City rescinds or cancels this Agreement.

ARTICLE IV

EVENTS OF DEFAULT

Section 4.1 Events of Default Defined. The following shall be “Events of Default” under is Agreement and the term “Event of Default” shall mean whenever it is used in this Agreement any one or more of the following events:

- (1) Failure by the Company to timely pay any ad valorem real property taxes, special assessments, utility charges or other governmental impositions with respect to the Project.
- (2) Failure by the Company to cause the construction of the Project to be completed pursuant to the terms, conditions and limitations of this Agreement.
- (3) Failure by the Company to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

Section 4.2 Remedies on Default. Whenever any Event of Default referred to in Section 4.1 occurs and is continuing, the City, as specified below, may take any one or more of the following actions after the giving of thirty (30) days’ written notice to the Company citing with specificity the item or items of default and notifying the Company that it has thirty (30) days within which to cure said Event of Default. If the Event of Default has not been cured within said thirty (30) days:

- (a) The City may suspend its performance under this Agreement until it receives assurances from the Developer, deemed adequate by the City, that the Company will cure its default and continue its performance under this Agreement.
- (b) The City may cancel and rescind the Agreement.
- (c) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 4.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 4.4 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 4.5 Agreement to Pay Attorney's Fees and Expenses. Whenever any Event of Default occurs and the City shall employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Developer herein contained, the Developer agrees that they shall, on demand therefore, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

Section 4.6 Release and Indemnification Covenants.

(1) The Company releases from and covenants and agrees that the City and their governing body members, officers, agents, servants and employees shall not be liable for and agrees to indemnify and hold harmless the City, and their governing body members, officers, agents, servants, and employees against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the following named parties, the Company agrees to protect and defend the City, and their governing body members, officers, agents, servants and employees, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, such, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance and operation of the Project.

(3) The City and their governing body members, officers, agents, servants and employees shall not be liable for any damages or injury to the persons or property of the Company or its officers, agents, servants or employees or any other person who may be about the Project due to any act of negligence of any person.

(4) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and not of any governing body member, officer, agent, servant or employee of the City in the individual capacity thereof.

ARTICLE V

ADDITIONAL PROVISIONS

Section 5.1 Conflicts of Interest. No member of the governing body or other official of the City shall participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Company or successor or on any obligations under the terms of the Agreement.

Section 5.2 Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 5.3 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (1) in the case of the Company is addressed to or delivered personally to:

- (2) in the case of the City is addressed to or delivered personally to the City at:

City of Stewartville
105 East 1st Street
P.O. Box 275
Stewartville, MN 55976

Or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 5.4 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 5.5 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State of Minnesota.

34

Section 5.6 Duration. This Agreement shall remain in effect through December 31, _____ unless earlier terminated or rescinded in accordance with its terms.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf and the Company has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

THE CITY OF STEWARTVILLE

By _____

By _____

Its _____

Its Mayor

By _____

By _____

Its _____

Its Administrator

This is a signature page to the Development Agreement dated as of _____,
20_____, by and between the City of Stewartville and _____
Company.

30

What's the Difference Between Tax Abatement and Tax Increment Financing?

Tax Abatement

Ability to capture and use all or a portion of property tax revenue within a defined area

"Rebate" rather than exemption from paying taxes

Each taxing jurisdiction must elect to participate
City may limit the abatement

Term can extend 15-20 years

- Generally 15 years is maximum
- Can extend to 20 if one jurisdiction declines
- If no term is specified, the term is eight years

Abatement must be in the public interest

- Provides employment
- Redevelops blighted area
- Finances public infrastructure

State property tax and/or market value tax is not abated

Governed by MN Statutes 469.1812-1815

Cannot abate taxes on a parcel within a TIF District – but can abate taxes once parcel is removed from TIF District

Tax Abatement requires a public hearing
Need for abatement must be quantified

- Developers proforma

Tax Increment Financing

Governed by complex set of statutes which limits TIF uses

TIF can only capture "new" or "increase" in taxes – TIF captures the value of the new development

TIF does not require approval from all taxing jurisdictions

Economic Development District:

- 8-year district (max.)
- Warehousing, manufacturing R&D

Housing District:

- 26-year district (max.)
- 100-percent of increment must be used for housing

Redevelopment District:

- 26-year district (max.)
- Cannot be used for "greenfields"
- More than 50-percent of buildings must be structurally substandard

Renewal District:

- 16-year district (max.)
- 20-percent of buildings must be structurally substandard
- 30-percent of buildings must require substantial renovation/clearance

Eligible uses include:

- Demolition and clearance
- Site Improvements
- Public Utilities

TIF requires a public hearing

Need for public assistance must be quantified for all TIF district types

2013

Tax Abatement Finance Policy



City of Northfield

Adopted: _____

I. POLICY PURPOSE

The purpose of this policy is to establish the City of Northfield's, hereafter referred to as the City, guide for the processing and review of applications requesting tax abatement. The fundamental purpose of tax abatement in Northfield is to encourage desirable development, redevelopment, or public improvements which clearly demonstrate a need for assistance and a public benefit. The City is granted the power to utilize tax abatement financing by the Minnesota Tax Abatement Act (*Minnesota Statutes, Section 469.1812 to 469.1815, as amended*). Tax abatement in this context is a rebate of taxes, rather than an exemption from paying property taxes. It is the intent of the City to provide the minimum tax abatement, as well as other incentives, at the shortest term required for the project on a case by case basis, taking into consideration established policies, project criteria, and demand on city services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of tax abatement to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

II. OBJECTIVES FOR USE OF TAX ABATEMENTS

As a matter of adopted policy, the City will consider using tax abatement financing to assist private development projects and public improvements to achieve one or more of the following objectives:

1. To enhance and diversify the City of Northfield's economic base.
2. To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.
3. To facilitate the development process and to achieve development on sites which would not be developed without assistance or would not be developed at a level of quality acceptable to the Council and the Community.
4. To encourage redevelopment of commercial and industrial areas in the city that result in high quality redevelopment and private reinvestment.
5. To encourage the removal of blight or the rehabilitation of a high profile or priority site.
6. To offset increased costs of redevelopment (i.e. contaminated site clean-up, demolition expenses etc.) over and above the costs normally incurred in development.
7. To increase the tax base.
8. To create affordable housing opportunities.
9. To retain local jobs or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
10. To finance the costs associated with public infrastructure and public facilities.

11. To contribute to the implementation of other public policies as adopted by the City , such as the promotion of quality architectural design, enhanced recreational opportunities, and decreasing capital and/or operating costs of local government.

III. EVALUATION CRITERIA

The project shall comply with all provisions set forth in Minnesota's Tax Abatement Law, (Minnesota Statutes 469.1812 to 469.1815) as amended. The term of any tax abatement may not exceed 15 years if all three taxing jurisdictions participate or 20 years if one or two jurisdictions participate. Priority will be given to tax abatement proposals that secure another taxing jurisdiction's participation. The applicant is responsible for requesting tax abatement from either the County or the School District.

When abatement is being utilized to finance public facility and infrastructure projects, as opposed to those benefitting private business and development objectives, the EDA and/or HRA will recommend the preliminary use of tax abatement financing for a particular facility/infrastructure project. A formal application, deposit agreement, and application worksheet will not be required. The decision to use tax abatement for a project will be based on the following criteria:

- A. The project shall meet at least one objective set forth to further the public interest, as defined in Section II of this document.
- B. The use of tax abatement will be limited to:
 - Industrial development, expansion, redevelopment, or rehabilitation;
 - Commercial redevelopment or rehabilitation;
 - Office or research facilities;
 - Housing and infrastructure; or
 - Public infrastructure
- C. The demonstration, to be provided by the developer, of the project's benefits and that the project is not financially feasible without the tax abatement financing provided.
- D. The project must be consistent with the City's Comprehensive Plan and Zoning Ordinances.
- E. Tax abatement assistance will be provided to private developers upon receipt of taxes by the City, otherwise referred to as the *pay-as-you-go* method. Requests for up front financing will be considered but are generally discouraged.
- F. The demonstration of market demand for the proposed project, to be provided by the developer.
- G. The adequacy of the developer's financial guarantees to ensure completion of the project including, but not limited to: assessment agreements, letters of credit, personal guaranties, or additional documentation as necessary.

- H. The Demonstration, to the City's sole satisfaction, of the developer's ability to complete the proposed project based on past development experience, general reputation, and credit history, among other factors, including experience with the size and scope of the proposed project.
- I. In an effort to support local business, extra consideration will be given to existing businesses seeking to expand and grow within the City.
- J. Priority will be given to services not already provided in the City.
- K. Additional consideration will be given based upon the level of private financial investment into the project.
- L. In any given calendar year, the total amount of property taxes abated by the City may not exceed ten percent of the net tax capacity of the City or other applicable limitations existing in current law.
- M. Tax abatement cannot be granted for any period while the property is located in a tax increment financing district.

IV. APPLICATION

A written application from a private business or developer, available from the Economic Development Authority (the "EDA") or the Housing and Redevelopment Authority (the "HRA") of the City, shall be submitted for all projects seeking tax abatement from the City.

Applications must include:

- A. A letter formally requesting tax abatement from the City.
- B. A completed application for tax abatement with all supporting material attached.
- C. A non-refundable application fee of \$250
- D. A refundable processing fee of 1.0 percent of the requested amount of abatement. Refunding will be prorated to corresponding staff time if the application is denied by the City or removed by the applicant. The actual cost of searches, credit reports, filing fees, and legal fees will be paid directly by the applicant. Fees will be waived if the City serves as developer.
- E. Financial projections. An independent financial analysis may be requested.

For the purposes of underwriting the proposal, the developer shall provide any requested market, financial, environmental, or other data requested by the City or its consultants.

V. APPROVAL PROCESS

The approval process for a private or public proposal may take anywhere from three weeks to three months, including any required public hearings.

- A. City staff reviews the application.
- B. Proposals are submitted to the EDA or the HRA, as applicable, for preliminary approval or denial.
- C. The EDA/HRA must determine that the proposed use of funds meets the appropriate test(s) for eligibility
- D. The EDA/HRA will determine if the financing gap exists between project funding sources and uses.
- E. The EDA/HRA will recommend a specific amount of abatement, if any, to the City Council.
- F. The City Council will hold a public hearing. The City Council will act on a resolution that identifies conditions upon which an application is approved or findings upon which an application is denied. The City Council will grant final approval or denial of the project.

VI. SUBSIDY AGREEMENT & ANNUAL REPORTING REQUIREMENTS

All projects granted tax abatement that meet the requirements of Minnesota Statutes, Section 116J (Business Subsidy Statute) will be required to enter into a subsidy agreement and be subject to annual reporting requirements.

- A. The subsidy agreement with the City shall clearly identify: the reason for the subsidy, the public purpose served by the subsidy, and the goals for the subsidy, as well as other criteria set forth by the Business Subsidy Statute.
- B. The developer/business shall file a report annually for two years after the date the benefit is received or until all goals set forth in the application and business subsidy agreement have been met, whichever is later. Reports shall be completed using the format drafted by the State of Minnesota and shall be filed with the City of Northfield no later than March 1 of each year for the previous calendar year. Businesses fulfilling job creation requirements must file a report to that effect with the city within 30 calendar days of meeting the requirements.
- C. The developer/business owner shall maintain and operate its facility at the site where the tax abatement and/or other assistance is used for a period of five years after the benefit is received.
- D. In addition to attaining or exceeding the jobs and wages goals set forth in the subsidy agreement, the borrower shall achieve at least one of the objectives furthering the public interest as set forth in Section II of this document.
- E. Developers/Businesses failing to comply with the above provisions will be subject to fines and

repayment requirements, as well as deemed ineligible by the State to receive any loans or grants from public entities for a period of five years. See the City's Business Subsidy Policy for additional information.

VII. RECAPTURE OF ABATEMENT

Imposition of any recapture is at the sole discretion of the City and shall be considered on a case-by-case basis.

Recapture considerations may include but are not limited to the:

- A. Sale, refinance or closure of the facility and departure of the company from the jurisdiction.
- B. Significant change in the use of the facility and/or the business activities of the company.
- C. Significant employment reductions not reflective of the company's (normal) business cycle and/or local and national economic conditions.
- D. Failure to achieve the minimum number of net new jobs and wage levels as specified in the abatement policy, application, and City Business Subsidy Policy.
- E. Failure to comply with annual reporting requirements.



Economic Development Authority

CITY OF NORTHFIELD, MINNESOTA
Business Assistance Financing Application - Tax Abatement

APPLICANT INFORMATION:

Business Name: _____ Date: _____
Business Address: _____ City: _____
State: _____ Zip Code: _____
Business Type: _____ Corporation _____ Sole Proprietorship _____ Partnership
Please select: _____ New Business _____ Existing Business # of Years in Business _____
Contact Person / Authorized Representative: _____ Title: _____

PROJECT INFORMATION:

Please attach a description of the proposed project (including building size, building type, site plan and sketches).
Please attach a description of why the assistance is needed, be specific.
Please attach a legal description of the property.

Location of Proposed Project: _____
Parcel #'s: _____
Present ownership of site: _____
Current Property Taxes: City _____ County _____ Total _____
Amount of Business Assistance Requested: _____
Number of existing jobs: _____
Number of permanent jobs created as a result of the project: # FTE Jobs _____
Average FTE Wages: \$ _____
Current Year Sales: \$ _____
Market value of project following completion: _____
Anticipated project start date: _____ Completion Date: _____

44

LENDER INFORMATION:

Name of Bank: _____ Contact Name: _____

Address: _____ Phone Number: _____

LEGAL COUNSEL:

Name: _____ Address: _____

Phone Number: _____ Fax: _____

FINANCIAL INFORMATION:

Estimated Project Related Costs:

- 1. Land Acquisition \$ _____
- 2. Site Development \$ _____
- 3. Building Cost \$ _____
- 4. Equipment \$ _____
- 5. Architectural/Engineering Fees \$ _____
- 6. Legal Fees \$ _____
- 7. Off-Site Development Costs \$ _____
- 8. Other (please explain) \$ _____
- 9. **TOTAL PROJECT COST** \$ _____

Sources of Financing

- 1. Private Financing Institution \$ _____
- 2. Tax Abatement Funds (Total Request) \$ _____

Number of Years: _____

City Portion: \$ _____ County Portion: \$ _____

Annual Amount: \$ _____ Annual Amount: \$ _____

- 3. Other Public Funds \$ _____
- 4. Developer Equity \$ _____
- 5. **TOTAL SOURCES** \$ _____

45

FINANCIAL INFORMATION – continued:

Has the business, owners or parent company ever declared bankruptcy? No _____ Yes _____

Has the business, owners or parent company ever defaulted on any loan commitment? No _____ Yes _____

Has your business or parent company received a business subsidy, for this or any other project, from another Minnesota unit of government during the past 5 years?

No _____ Yes _____, please describe: _____

PUBLIC PURPOSE:

What benefits will the County and its residents gain if assistance is provided?

_____ Job Creation _____ Job Retention _____ Job Training _____ Land Clean Up

_____ Tax Base _____ Removal of Blight _____ Redevelopment _____ Other(please list)

Please explain: _____

AUTHORIZED SIGNATURE OF APPLICANT

Depending upon the type of assistance requested, you may also be required to provide the County with a deposit to cover administration and consulting expenses associated with your project. Unused funds will be returned upon completion of this process. The applicant agrees to provide additional information if requested by the County.

Applicant _____ Title _____ Date _____

*By signing – applicant agrees to job creation requirements
If abatement request is approved – an abatement agreement is required*

When complete – please return to:

City of Northfield Community Development Department
801 Washington Street
Northfield MN 55057
Fax: 507.645.3055
Michele.merxbauer@ci.northfield.mn.us

PLEASE INCLUDE WITH COMPLETED APPLICATION:

- _____ Preliminary financial commitment from bank (commitment letter)
- _____ Background material of company
- _____ Pro Forma Analysis – including 3 years of projections
- _____ 3 years of Financial Statements/History
- _____ All other materials as outlined in application
- _____ Businesses Articles of Incorporation or Partnership Agreement

46

TENNESSEN WARNING: DATA PRIVACY STATEMENT

IN ACCORDANCE WITH THE MINNESOTA GOVERNMENT DATA PRACTICES ACT, THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT IS REQUIRED TO INFORM YOU OF YOUR RIGHTS AS THEY PERTAIN TO PRIVATE INFORMATION COLLECTED FROM YOU. PRIVATE DATA IS THAT INFORMATION WHICH IS AVAILABLE TO YOU FROM THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT BUT IS NOT AVAILABLE TO THE PUBLIC. THE PERSONAL INFORMATION THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT COLLECTS ABOUT YOU IS GENERALLY CONSIDERED PRIVATE.

THE INFORMATION COLLECTED FROM YOU, AS PART OF THE ATTACHED APPLICATION WILL BE USED TO DETERMINE YOUR ELIGIBILITY FOR PUBLIC FINANCIAL ASSISTANCE. YOU ARE NOT REQUIRED TO PROVIDE THIS INFORMATION, BUT IF YOU DO NOT, THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT WILL NOT BE ABLE TO DETERMINE YOUR ELIGIBILITY FOR ASSISTANCE.

THE PRIVATE DATA WE COLLECT WILL BE DISSEMINATED AND USED ONLY WHEN IT IS REQUIRED FOR ADMINISTRATION AND MANAGEMENT OF THE PROGRAM. PERSONS OR AGENCIES WITH WHOM THIS INFORMATION MAY BE SHARED INCLUDE:

1. MEMBERS OF THE CITY STAFF WHO REVIEW APPLICATIONS.
2. STAFF PERSONS INVOLVED IN ADMINISTRATION OF THE ASSISTANCE PROGRAM.
3. AUDITORS WHO PERFORM REQUIRED AUDITS OF CITY PROGRAMS.
4. AUTHORIZED PERSONNEL FROM THE MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT AND THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR OTHER STATE AND FEDERAL AGENCIES PROVIDING FUNDING ASSISTANCE TO YOU.
5. PERSONNEL FROM THE CITY'S FINANCIAL ADVISOR TO ASSIST IN THE REVIEW OF THE APPLICATION.
6. THOSE PERSONS WHOM YOU AUTHORIZE TO SEE THE DATA.
7. LAW ENFORCEMENT PERSONNEL IN THE CASE OF SUSPECTED FRAUD.

UNLESS OTHERWISE AUTHORIZED BY STATE STATUTE OR FEDERAL LAW, OTHER GOVERNMENT AGENCIES USING THE PRIVATE DATA MUST ALSO TREAT IT AS PRIVATE.

YOU MAY WISH TO EXERCISE YOUR RIGHTS AS CONTAINED IN THE MINNESOTA GOVERNMENT DATA PRACTICES ACT. THOSE RIGHTS INCLUDE:

1. THE RIGHT TO SEE AND OBTAIN COPIES OF THE DATA MAINTAINED ON YOU.
2. THE RIGHT TO BE TOLD THE CONTENTS AND MEANING OF THE DATA, AND
3. THE RIGHT TO CONTEST THE ACCURACY AND COMPLETENESS OF THE DATA.

TO EXERCISE THESE RIGHTS, CONTACT MICHELE MERXBAUER, COMMUNITY DEVELOPMENT COORDINATOR, CITY OF NORTHFIELD, 801 WASHINGTON STREET, NORTHFIELD, MINNESOTA 55057. 1-507-645-3047

I/WE HAVE READ AND UNDERSTAND THE ABOVE INFORMATION REGARDING MY/OUR RIGHTS AS A SUBJECT OF GOVERNMENT DATA.

Date

Applicant

47

I/WE CERTIFY THAT ALL STATEMENTS ON THIS APPLICATION ARE TRUE AND CORRECT TO THE BEST OF MY/OUR KNOWLEDGE. I/WE UNDERSTAND THAT ANY INTENTIONAL MISSTATEMENTS WILL BE GROUNDS FOR DISQUALIFICATION. I/WE AUTHORIZE AND AGREE TO PROVIDE TO THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT REASONABLE ACCESS TO INFORMATION AND REASONABLE ACCESS TO CONSTRUCTION PROJECT SITE TO ALLOW THE CITY OF NORTHFIELD COMMUNITY DEVELOPMENT DEPARTMENT TO MONITOR PROJECT IMPLEMENTATION FOR COMPLIANCE WITH PROGRAM OBJECTIVES AND ASSISTANCE GUIDELINES.

APPLICANT (S):

DATE: _____
DATE: _____

Jennifer Welling

From: Renee Eckerly
Sent: Tuesday, September 09, 2014 12:13 PM
To: Jennifer Welling
Subject: FW: Revised Paynesville Billboard Proof
Attachments: Paynesville_12x25Setup.jpg; ATT00001.txt

This would be the final billboard design that will be put up along the bypass.
Please put on the next EDAP agenda.

Renee Eckerly
City Administrator
City of Paynesville
(320) 243-3714 ext. 227
Fax (320) 243-3713

-----Original Message-----

From: Sheri Wegner [<mailto:ssiportrait@gmail.com>]
Sent: Monday, August 25, 2014 12:33 PM
To: Renee Eckerly
Subject: Revised Paynesville Billboard Proof

Sent on the run from my iPhone
Sheri

Please proof spelling, phone numbers, directional, tag lines, logos, etc.



**So much to offer,
just stop by &
Discover Paynesville**

Next Right 

FRANKLIN

Advertiser: *Paynesville*
Account Executive: *Steve Anderson*
Date: *August 25, 2014*
Install Date: *September 1, 2014*
Quantity: *1 of each*

Proof Approval (Signature):

Size: *12'x25'*

Structure Location: _____

Previous Ad: _____

Structure Number: _____

Extension sq. ft.: _____

Banner sq. ft.: _____

2009© FRANKLIN OUTDOOR ADVERTISING. Any use of this proposal without consent or compensation is strictly prohibited.

REVOLVING LOAN STATUS REPORT

Date of Update: **10/1/2014**

	Business Name	Outstanding Balance	Date of last Payment	Amount of Last Payment	Current/Next Due Date
*	Bloom Corner Floral #2	\$ 18,334.35	9/17/2014	\$ 683.80	8/15/2014
	Eats & Treats	\$ 16,875.82	9/17/2014	\$ 177.99	10/3/2014
	Koronis Lanes	\$ 6,221.39	10/1/2014	\$ 197.79	11/1/2014
*	Louis Industries	\$ 271,354.02	9/8/2014	\$ 12,126.90	12/4/2014
#	Louis Industries Deed Part A	\$ 20,000.00	9/8/2014	\$ 175.00	12/4/2014
	Louis Industries Deed Part B	\$ 54,270.80	9/8/2014	\$ 2,425.38	12/4/2014
	Midwest Cylinder #2	\$ 171,906.33	6/12/2014	\$ 2,115.64	7/22/2014
*	Queen Bee's Bar & Grill	\$ 81,430.28	9/24/2014	\$ 509.82	10/20/2014
*	Skinz #4	\$ 94,435.63	9/17/2014	\$ 637.96	10/15/2014
*	Skinz #5	\$ 83,111.71	9/17/2014	\$ 969.08	10/30/2014
*	Savage Land Partnership	\$ 322,611.10	10/1/2014	\$ 1,957.36	12/3/2014
	<u>Sweet Nook Bakery</u>	<u>\$ 11,495.17</u>	<u>9/17/2014</u>	<u>\$ 272.88</u>	<u>10/17/2014</u>
*	Joint Loans w/Township				
#	Joint Loans w/State				
	TOTAL OUTSTANDING BALANCE	\$ 1,152,046.60			

LATE PAYMENTS:

Bloom Corner Floral	\$ 341.90	Due: 8/15/14
Bloom Corner Floral	\$ 341.90	Due: 9/15/14
Midwest Cylinder #2	\$ 2,115.64	Due: 7/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 8/22/14
Midwest Cylinder #2	\$ 2,115.64	Due: 9/22/14
TOTAL DELINQUENT	\$ 7,030.72	

CITY REVOLVING LOAN BALANCE (available)	\$ 227,939.17	updated 8/31/14	<i>(unaudited)</i>
CITY EDAP BALANCE	\$ 209,249.08	updated 8/31/14	<i>(unaudited)</i>
TOWNSHIP LOAN BALANCE (available)			

51