

## **MINUTES EDAP BOARD MEETING**

**NOVEMBER 25, 2014**

Jean Soine called the meeting to order at 11:00 a.m. Members present were Kay McDaniel, Don Wiese, Chris Stanley, and Renee Eckerly, City Administrator. Don Pietsch, Bruce Stang, and Al Habben were absent.

No minutes were presented for approval.

### **ECONOMIC STATUS OF COMMUNITY**

Eckerly reported that Alco is closing and she has been in contact with a liquidation company regarding the building.

### **PAST DUE LOANS**

Eckerly reported on the past due loans.

### **TAX ABATEMENT**

Tammy Omdal, Northland Strategies was on a conference call regarding tax abatement and reviewed the following:

- City's portion of taxes only
- Only for the increase in taxes for the improvement
- Can't be used for parks
- Spread across total tax base
- All taxpayers pay more taxes to get project done
- 15 to 20 years
- Levy a special property tax base
- Collected and used for specific purpose
- Example: business has \$20,000.00 in new taxes, City agrees to abatement for 15 years, reimburse them – cut check back and sent back to property owner
- Community pool – abatement levy – certify
- Process:
  - Area want to assist – not a district
  - Whatever parcels the City wants
  - Figure current taxes and taxes on improvements
  - Abatement area
  - Then tax levy would be spread over the tax base
- Limit is \$200,000.00 or 10% of taxing capacity
- Public Hearing – tax statement does not look any different if property is included in abatement
- No abatement – pay taxes – return taxes back to them
- How do you not do this for everyone?
  - Need to have a policy in place
  - Public project, job generation, eliminating retail

The Board reviewed Princeton's Policy. The Board discussed whether or not to do tax abatement. The Board agreed to proceed and develop a policy. It was suggested to send out more examples to the Board. The purpose is to put together an abatement policy and email it to Omdal for review.

### **INFORMATIONAL**

The Revolving Loan Report was reviewed.

There being no further business the meeting was adjourned at 12:10 p.m.