



## **PELICAN RAPIDS**

March 6, 2023

Brian Korf  
Superintendent  
Pelican Rapids Public Schools  
P.O. Box 642,  
310 S. Broadway  
Pelican Rapids, Minnesota 56572

Nicole Hansen  
County Administrator  
Otter Tail County, Minnesota  
520 Fir Avenue W.,  
Fergus Falls, Minnesota 56537

RE: Tax Abatement for Community Pool Project

Dear Ms. Hansen and Mr. Korf:

The City Council of the City of Pelican Rapids, Minnesota (the "City") on March 14, 2023, will consider accepting bids for construction of a community pool project (the "Project") and will call for a public hearing related to the potential tax abatement of certain property taxes. Anticipated financing for the Project is through the issuance of General Obligation Tax Abatement Bonds (the "Bonds") in an amount of approximately \$3,590,000. Debt service on the Bonds will be paid by an abatement levy based on a tax abatement of the City portion of the property taxes from properties located within a defined abatement project area. The City plans to collect the abatement levy and repay the Bonds over a 20-year period. In order for the City to collect the abatement levy for more than 15 years, the City must receive a resolution from either the County Commissioners of Otter Tail County (the "County Board") or the School Board of Independent School District No. 548 (Pelican Rapids Public Schools) (the "School Board") declining to participate in abating their portion of the taxes from these properties to assist in paying the debt service on the Bonds. Without this resolution declining participation, the City can only collect revenue and retire the Bonds for 15 years, making the Project less financially feasible for the City.

Pursuant to State Law, we are required to formally request in writing to determine if you are willing to participate in abating your portion of the taxes or if you will decline to participate. The City does not expect you to participate in this City project and the project financing has been created assuming no abatement revenue from the County or School District.

As part of the formal process for the City to proceed, please consider this letter a formal request to participate in the tax abatement. Further, the City requests that the County Board and School Board formally deny this request pursuant to Minnesota Statutes, Section 469.1813, Subdivision 6(b). We would appreciate your prompt attention to this request. The City Council will conduct a public hearing and consider approval of the abatement resolution on April 11, 2023.

If you have any questions about the request for participation and the requested denial, please do not hesitate to contact me directly at [prclerk1@loretel.net](mailto:prclerk1@loretel.net) or 218-863-7076.

Best regards,

/s/ Danielle Harthun  
City Clerk and Treasurer