

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS FOR COLONY HOUSING, LLC

BE IT RESOLVED by the School Board of Independent School District No. 548, Minnesota (the "School"), as follows:

WHEREAS, Colony Housing, LLC (the "Developer") has requested that the School, the County of Otter Tail (the "County") and the City of Pelican Rapids (the "City") abate their respective portions of additional prospective property taxes derived from the property described by property identification numbers on the attached "Exhibit A" (the "Property"), resulting from the construction of approximately 36 units of residential housing on the Property (the "Project"), all as further described below;

WHEREAS, the School proposes to use property tax abatement to assist in the financing of improvements by the Developer. The School proposes to use Tax Abatement for the purposes provided for in the Abatement Law (as hereinafter defined), including the Project. The proposed term of the abatement will be for up to fifteen years in an amount not to exceed \$70,000. The abatement will apply to the School's share of the property taxes (the "Abatement") derived from the property described by property identification numbers on the attached "Exhibit A" (the "Property");

WHEREAS, the School approved Resolution Approving Property Tax Abatements For Colony Housing, LLC on November 14, 2016 (the "Prior Resolution), which among other things authorized a Tax Abatement for the Project. The Project did not commence as planned at time of approval of the Prior Resolution and the School has not certified the Abatement for the Project;

WHEREAS, the School proposes to rescind its approval of the Tax Abatement in the Prior Resolution;

WHEREAS, on the date hereof, the School held a public hearing on the question of the Abatement, and said hearing was preceded by at least once more than 10 days but not more than 30 days prior published notice thereof; and

WHEREAS, the Abatement is authorized under Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the "Abatement Law").

NOW, THEREFORE, BE IT RESOLVED by the School Board of Independent School District No. 548, Minnesota, as follows:

1. Findings for the Abatement. The School Board hereby makes the following findings:
 - (a) The Board expects the benefits to the School of the Abatement to at least equal or exceed the costs to the School thereof.
 - (b) Granting the Abatement is in the public interest because it will:

- (i) increase or preserve tax base; and
- (ii) provide employment opportunities in the City.
- (c) The Property is not and will not be located in a tax increment financing district during the Abatement period.
- (d) In any year, the total amount of property taxes abated by the School by this and other abatement resolutions, if any, shall not exceed ten percent (10%) of net tax capacity of the School for the taxes payable year to which the abatement applies or \$200,000, whichever is greater (the "Abatement Limit"). The School may grant other abatements permitted under the Abatement Law after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Limit the allocation of the Abatement limit to such other abatements is subordinate to the Abatement granted by this resolution.

2. Terms of Abatement. The Abatement is hereby approved. The terms of the Abatement are as follows:

- (a) The Abatement shall be for up to a fifteen (15) year period and shall apply to the taxes payable in the years 2021 through 2035, inclusive.
- (b) The School will abate the increase in the property amount over the adjusted 2019 Market Value, as established by the County Assessor's Office in which the School receives from the Property, cumulatively not to exceed \$70,547 over 15 year period certified in annual amounts.
- (c) The Abatement shall be subject to all the terms and limitations of the Abatement Law.
- (d) The Abatement shall be subject to final approval by the City, County, and School (the "Taxing Jurisdictions") of a Tax Abatement and Financial Assistance Agreement between the Taxing Jurisdictions and the Developer.
- (e) The School Board Chair and Superintendent are authorized to execute all documents and Tax Abatement agreements necessary to execute the Property Tax Abatement.