

City of Jordan

Economic Development Tax Abatements Procedures

- 1.) Abatements will be considered on a case-by-case basis.
- 2.) For an abatement request to be considered, an Economic Development Abatement Worksheet in the form attached as Exhibit A must be submitted to the Jordan Economic Development Authority (“EDA”).
- 3.) Each Economic Development Abatement Worksheet will be reviewed by the members of the EDA. Information on program applicants (including but not limited to: names, credit reports, financial statements, income calculations, and asset information) is private data which must be administered in accordance with the Minnesota Government Practices Act.
- 4.) The EDA, with staff input, will ascertain from the Worksheet whether the abatement request meets the statutory criteria under Minnesota Statutes, Sections 469.1812 to 469.1815, as amended.
- 5.) In addition, the EDA will consider the City of Jordan’s Amended and Restated Business Subsidy Policy with regard to recommending approval of the abatement request.
- 6.) The EDA will make a formal recommendation on granting or denying the requested abatement, and will forward its recommendation with the abatement request to the City Council.
- 7.) If the City Council determines to approve the requested abatement, the City and legal counsel will develop a proposed resolution which specifies:
 - a. The nature and extent of the public benefit resulting from the abatement.
 - b. The terms of the abatement:
 1. Amount
 2. Duration
 - a. Up to the statutory maximum of 20 years.
 - b. If not specified, the abatement will have a maximum term of eight years.
 - c. Other (City Council may limit the term of abatement in any other manner it deems appropriate).
- 8.) In addition to the abatement resolution, the City and legal counsel will negotiate a development agreement with the entity requesting the abatement, incorporating the terms of the abatement, for consideration by the City Council.

- 9.) The City Council will hold a duly noticed public hearing on the requested abatement.
- 10.) After the public hearing, the City Council will consider the abatement resolution. If the City Council votes to deny the abatement request, the property owner or representative will be notified in writing within two weeks subsequent to the Council meeting.
- 11.) The City will add to its levy amount the amount of all current year abatements granted. Applications approved between September 16 of the previous year and September 15 of the current year will be considered current year abatements, and the total of such current year abatements granted shall be included within the proposed levy and final levy for the City.
- 12.) The City will pay the abatement to the property owner, lessee or a representative of bondholders as provided in the abatement resolution and development agreement.
- 13.) Approved abatements will not be transferable to another party without written Council approval.
- 14.) The EDA and City Council may change or modify these procedures as deemed necessary.

ADOPTED: _____

EXHIBIT A

Economic Development Abatement Worksheet

Date_____

1.) Name of Property Owner_____

2.) PIN_____

3.) Description of expected financial benefit to city (the benefit must be equal or greater than the cost of the abatement.)

4.) Description of public interest served by the proposed abatement:

Increase or preserve tax base _____ (yes or no)? How?

Provide jobs? _____ When, how many, what type, proposed pay scale?

Provide or help acquire or construct public facilities? ____ Which facilities? How?

Redevelop or renew blighted areas? _____ How?

Provide access to services for residents? _____ How?

5.) Please disclose and attach income/expense statements or profit/loss projections.

6.) Requested tax amount to be abated_____

7.) Requested duration of abatement_____

8.) Has abatement been requested or granted by the school district or county? If so, please include details of the request and any abatement approved.

9.) What other public funding programs have been applied for or utilized?

Note: Abatements may not be granted if the property is located in an existing tax increment financing (TIF) district.