

## **NOTICE TO PUBLIC ATTENDEES**

Due to the temporary format change of the Hanover Economic Development Authority meeting we first and foremost want to ensure that public comments are received and addressed by either the planning commission or staff. Please refer to the instructions that can be found on the Hanover EDA Agendas webpage for how to attend and interact during the meeting.

We feel it's best to email your comments to staff ahead of the meeting and during the meeting. Staff will read aloud those comments. Any public body joining the meeting will have their microphone muted in order to reduce background noise from those in attendance.

If you would like to speak during citizen's forum please email your comments or questions to [brianh@ci.hanover.mn.us](mailto:brianh@ci.hanover.mn.us). Please include your name, address and a form of contact information so staff can provide follow-up if needed.

**AGENDA  
HANOVER ECONOMIC DEVELOPMENT AUTHORITY  
MAY 21, 2020**

**TODD BARTELS - CHAIR  
JESSICA JOHNSON - TREASURER  
BRIAN DISMANG  
TED ZRUST  
TONY ROSS**

**KEN WARPULA – VICE CHAIR  
MARYANN HALLSTEIN**

- 1. Call to Order: 8:00 a.m.**
- 2. Approval of:**
  - a. Minutes of February 20, 2020 Regular Meeting**
  - b. Accounts Payable and Financial Reports**
- 3. Citizen’s Forum**
- 4. Unfinished Business**
- 5. New Business**
  - a. Mercantile Pass: Tax Abatement**
  - b. Fund Transfer**
  - c. COVID-19: Business Incentives**
- 6. EDA Board and Staff Reports**
  - a. EDA Board Reports**
  - b. Staff Reports**
- 7. Adjournment**

**CITY OF HANOVER  
ECONOMIC DEVELOPMENT AUTHORITY MEETING  
FEBRUARY 20, 2020 – DRAFT MINUTES**

**Call to Order**

Treasurer Johnson called the regular EDA meeting of February 20, 2020 to order at 8:06 a.m. Present were members Jessica Johnson, Tony Ross, Ken Warpula and MaryAnn Hallstein. Also present was City Administrator Brian Hagen. Absent was Todd Bartels and Brian Dismang. Member Ted Zrust arrived at 8:08 am.

**Approval of Agenda**

**MOTION** by Hallstein to approve the agenda as presented, seconded by Ross. **Motion carried unanimously.**

**Appoint Chair, Vice Chair, Treasurer**

**MOTION** by Hallstein to appoint Bartels to Chair, Warpula to Vice Chair, and Johnson to Treasurer, seconded by Johnson. **Motion carried unanimously.**

**Approval of Minutes from December 19, 2019 Regular Meeting**

**MOTION** by Hallstein to approve minutes as presented, seconded by Johnson. **Motion carried unanimously.**

Zrust arrived at 8:08 a.m.

**Approval of Accounts Payable and Financial Reports**

Johnson noted that all loans were current except Big Bore BBQ.

**MOTION** by Johnson to approve the Accounts Payable and Financial Reports as presented, seconded by Hallstein. **Motion carried unanimously.**

**Citizen's Forum**

None

**Unfinished Business**

**Review: Gaining Customers through Google Seminar**

The group discussed the event jointly hosted with Positive Based Marketing and WCEDP. All agreed that a second event would be beneficial given the number of businesses throughout the county that attended. Tentative plan was for late April after the EDA Business Social so the event can be better encouraged to Hanover businesses.

**2020 EDA Business Social**

Hagen noted the date and venue of Big Bore BBQ is set. Yetis need to be ordered and Johnson and Hallstein would work to pick out what to order.

**New Business**

**Review: 2019 Hanover Strategic Plan**

Little discussion was held due to missing members.

**Reports**

None

**Adjournment**

**MOTION** by Hallstein to adjourn at 9:33 a.m., seconded by Ross. **Motion carried unanimously.**

ATTEST:

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Brian Hagen, City Administrator

**HANOVER**  
**Cash Balances**  
 April 2020

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
100 GENERAL FUND	\$476,386.27	\$22,551.61	\$72,199.97	\$426,737.91
107 FIRE DEPT DONATIONS FUND	\$26,087.47	\$150.00	\$0.00	\$26,237.47
<b>201 EDA SPECIAL REVENUE FUND</b>	<b>\$139,454.32</b>	<b>\$0.00</b>	<b>\$1,951.28</b>	<b>\$137,503.04</b>
<b>205 EDA BUSINESS INCENTIVE FUND</b>	<b>\$75,414.26</b>	<b>\$2,908.23</b>	<b>\$0.00</b>	<b>\$78,322.49</b>
311 2008A GO CIP REFUNDING BOND	\$47,732.67	\$0.00	\$0.00	\$47,732.67
312 2009A GO IMP REFUNDING BOND	\$15,414.65	\$0.00	\$0.00	\$15,414.65
314 2011A GO IMP CROSSOVER REF BD	\$472,094.03	\$9,026.43	\$4,632.50	\$476,487.96
315 2016A GO CIP BOND	\$17,390.08	\$0.00	\$0.00	\$17,390.08
401 GENERAL CAPITAL PROJECTS	\$724,776.50	\$0.00	\$0.00	\$724,776.50
402 PARKS CAPITAL PROJECTS	\$93,737.92	\$0.00	\$0.00	\$93,737.92
403 FIRE DEPT CAPITAL FUND	\$359,706.65	\$0.00	\$0.00	\$359,706.65
404 HISTORICAL CAPITAL PROJ FUND	\$0.00	\$0.00	\$0.00	\$0.00
405 PARK DEDICATION FEE	\$118,443.56	\$0.00	\$0.00	\$118,443.56
406 GAMBLING PROCEEDS	\$11,676.04	\$977.00	\$0.00	\$12,653.04
407 TIF REDEV DIST #1	\$8,751.97	\$0.00	\$0.00	\$8,751.97
409 MAHLER PIT - 15TH ST IMP FUND	\$106,303.80	\$0.00	\$0.00	\$106,303.80
411 FACILITIES CAPITAL PROJ FUND	\$0.00	\$0.00	\$0.00	\$0.00
417 EQUIPMENT CAPITAL FUND	\$12,428.06	\$0.00	\$0.00	\$12,428.06
418 STREET CAPITAL PROJ FUND	\$382,839.68	\$0.00	\$1,733.00	\$381,106.68
601 WATER ENTERPRISE FUND	\$981,062.97	\$0.00	\$3,749.00	\$977,313.97
602 SEWER ENTERPRISE FUND	\$432,965.33	\$0.00	\$5,637.00	\$427,328.33
603 STORM WATER ENTERPRISE FUND	\$183,828.05	\$0.00	\$563.85	\$183,264.20
611 WATER CAPITAL IMP FUND	\$218,565.29	\$0.00	\$0.00	\$218,565.29
612 SEWER CAPITAL IMP FUND	\$2,158,952.82	\$0.00	\$4,393.93	\$2,154,558.89
613 STORM WATER CAPITAL IMP FUND	\$688,876.82	\$0.00	\$0.00	\$688,876.82
701 RIVER ROAD CEMETERY	\$36,031.74	\$50.00	\$0.00	\$36,081.74
702 CSAH 19 CEMETERY	\$2,650.00	\$800.00	\$0.00	\$3,450.00
811 EROSION CONTROL ESCROW FUND	\$46,123.53	\$0.00	\$0.00	\$46,123.53
815 LANDSCAPE ESCROW FUND	\$46,000.00	\$0.00	\$0.00	\$46,000.00
817 INFRASTRUCTURE ESCROW FUND	\$30,000.00	\$0.00	\$0.00	\$30,000.00
818 MISC ESCROWS FUND	\$36,165.08	\$3,060.00	\$14,665.94	\$24,559.14
820 BRIDGES TOWNHOMES ESC FUND	\$3,764.63	\$0.00	\$0.00	\$3,764.63
823 CROW RVR HTS WEST 3RD / BACKES	\$17,953.85	\$0.00	\$1,333.50	\$16,620.35
825 CROW RVR HTS FUT WEST PLAT/PUD	\$0.00	\$0.00	\$0.00	\$0.00
826 CROW RVR HTS 4TH ADD FINL PLAT	\$0.00	\$0.00	\$0.00	\$0.00
827 HANOVER COVE PRELIMINARY PLAT	\$0.00	\$0.00	\$0.00	\$0.00
828 CROW RVR HTS 4TH DEVEL AGRMT	\$58,745.89	\$0.00	\$1,671.50	\$57,074.39
900 INTEREST	\$63,614.02	\$0.00	\$0.00	\$63,614.02
	<b>\$8,093,937.95</b>	<b>\$39,523.27</b>	<b>\$112,531.47</b>	<b>\$8,020,929.75</b>

**HANOVER**  
**Revenue Budget Report - EDA**

Source Alt Code	Account Descr	April 2020 Amt	2020 YTD Amt	2020 YTD Budget	2018 YTD Variance	%YTD Budget
<b>Fund 201 EDA SPECIAL REVENUE FUND</b>						
TAXES	R 201-31000 Property Taxes - General	\$0.00	\$0.00	\$49,000.00	\$49,000.00	0.00%
TAXES	R 201-31010 Tax Abatement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code TAXES		\$0.00	\$0.00	\$49,000.00	\$49,000.00	0.00%
MISC	R 201-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 201-36210 Interest Earnings	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 201-36215 Investment Income/Loss	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code MISC		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
INTGOVT	R 201-33410 MV Credit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code INTGOVT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Fund 201 EDA SPECIAL REVENUE FUND</b>		\$0.00	\$0.00	\$49,000.00	\$49,000.00	0.00%
<b>Fund 205 EDA BUSINESS INCENTIVE FUND</b>						
MISC	R 205-36200 Miscellaneous Revenues	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-36210 Interest Earnings	\$332.48	\$1,624.52	\$3,500.00	\$1,875.48	46.41%
MISC	R 205-36215 Investment Income/Loss	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-36230 Contributions and Donation	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 205-39203 Transfer from Other Fund	\$0.00	\$0.00	\$35,000.00	\$35,000.00	0.00%
Source Alt Code MISC		\$332.48	\$1,624.52	\$38,500.00	\$36,875.48	4.22%
INTGOVT	R 205-33400 State Grants and Aids	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code INTGOVT		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
<b>Fund 205 EDA BUSINESS INCENTIVE FUND</b>		\$332.48	\$1,624.52	\$38,500.00	\$36,875.48	4.22%
		\$332.48	\$1,624.52	\$87,500.00	\$85,875.48	1.86%

Expenditure Budget Report - EDA

Dept Abbrev	Account Descr	April 2020 Amt	2020 YTD Amt	2020 YTD Budget	2020 YTD Balance	%YTD Budget
Fund 201 EDA SPECIAL REVENUE FUND						
Dept 41330 Boards and Commissions						
BRDCOMM	E 201-41330-111 Committee Wages/Meeting	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%
BRDCOMM	E 201-41330-306 Dues & Subscriptions	\$310.00	\$310.00	\$500.00	\$190.00	62.00%
BRDCOMM	E 201-41330-310 Other Professional Services	\$0.00	\$1,395.00	\$5,000.00	\$3,605.00	27.90%
BRDCOMM	E 201-41330-437 Other Miscellaneous	\$1,641.28	\$1,789.95	\$5,500.00	\$3,710.05	32.54%
Dept 41330 Boards and Commissions		\$1,951.28	\$3,494.95	\$13,000.00	\$9,505.05	
Dept 41570 Purchasing						
PURCHASE	E 201-41570-210 Operating Supplies (GENE	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
Dept 41570 Purchasing		\$0.00	\$0.00	\$1,000.00	\$1,000.00	
Dept 49360 Transfers Out						
TRANSFERS	E 201-49360-700 Transfers (GENERAL)	\$0.00	\$0.00	\$35,000.00	\$35,000.00	0.00%
Dept 49360 Transfers Out		\$0.00	\$0.00	\$35,000.00	\$35,000.00	
Fund 201 EDA SPECIAL REVENUE FUND		\$1,951.28	\$3,494.95	\$49,000.00	\$45,505.05	

**HANOVER**  
**Expenditure Budget Report - EDA**

Dept Abbrev	Account Descr	April 2020 Amt	2020 YTD Amt	2020 YTD Budget	2020 YTD Balance	%YTD Budget
Fund 205 EDA BUSINESS INCENTIVE FUND						
Dept 46500 Economic Develop mt (GENERAL)						
ECODEVEL	E 205-46500-810 Refunds & Reimbursement	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 46500 Economic Develop mt (GENERAL)		\$0.00	\$0.00	\$0.00	\$0.00	
Dept 49300 Other Finanacing Uses						
OTHFINUS	E 205-49300-317 EDA BIF: Rent Reimburse	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
OTHFINUS	E 205-49300-318 EDA BIF: Matching Grant	\$0.00	\$1,230.00	\$0.00	-\$1,230.00	0.00%
OTHFINUS	E 205-49300-319 EDA BIF: EDA Loan	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 49300 Other Finanacing Uses		\$0.00	\$1,230.00	\$0.00	-\$1,230.00	
Fund 205 EDA BUSINESS INCENTIVE FUND		\$0.00	\$1,230.00	\$0.00	-\$1,230.00	

**HANOVER**  
**Expenditure Budget Report - EDA**

Dept Abbrev	Account Descr	April 2020 Amt	2020 YTD Amt	2020 YTD Budget	2020 YTD Balance	%YTD Budget
		\$1,951.28	\$4,724.95	\$49,000.00	\$44,275.05	

# HANOVER

## Transaction Activity - EDA

Period Name	Check Nbr	Tran Name	Search Name	Amount	Comments	Check/Receipt Date	Fund
Act Year 2020							
PL Type G General Ledger							
Account Descr G 201-10100 Cash							
January		Journal Entr		-\$1,860.00	To Reverse 2019 YE JE		201
				-\$1,860.00			
Account Descr G 201-10500 Taxes Receivable-Current							
January		Journal Entr		-\$399.18	To Reverse 2019 YE JE		201
				-\$399.18			
Account Descr G 201-20200 Accounts Payable							
January		Journal Entr		\$1,860.00	To Reverse 2019 YE JE		201
				\$1,860.00			
Account Descr G 205-12400 EDA Loan Receivable							
January	087337	Cash Recei	ASTRO ENGINEERING	\$1,072.76	EDA Loan Principal Paym	01/17/20	205
January	087307	Cash Recei	PLUG TECHNOLOGIES, IN	\$446.14	EDA Loan Principal Paym	01/06/20	205
January	029221	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Jan	01/03/20	205
February	087407	Cash Recei	ASTRO ENGINEERING	\$1,121.38	EDA Loan Principal Paym	02/14/20	205
February	010577	Cash Recei	BIG BORE BBQ COMPANY	\$662.59	EDA Loan Principal Paym	02/27/20	205
February	010577	Cash Recei	BIG BORE BBQ COMPANY	\$662.58	EDA Loan Principal Paym	02/27/20	205
February	087372	Cash Recei	PLUG TECHNOLOGIES, IN	\$446.92	EDA Loan Principal Paym	02/04/20	205
February	029287	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Feb	02/03/20	205
March	087523	Cash Recei	ASTRO ENGINEERING	\$1,116.75	EDA Loan Principal Paym	03/16/20	205
March	087536	Cash Recei	BIG BORE BBQ COMPANY	\$781.48	EDA Loan Principal Paym	03/20/20	205
March	087480	Cash Recei	PLUG TECHNOLOGIES, IN	\$447.78	EDA Loan Principal Paym	03/04/20	205
March	029356	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Mar	03/02/20	205
April	087622	Cash Recei	ASTRO ENGINEERING	\$1,097.63	EDA Loan Principal Paym	04/15/20	205
April	087633	Cash Recei	BIG BORE BBQ COMPANY	\$820.11	EDA Loan Principal Paym	04/21/20	205
April	087559	Cash Recei	PLUG TECHNOLOGIES, IN	\$449.68	EDA Loan Principal Paym	03/31/20	205
April	029451	Cash Recei	ROY C INC	\$208.33	EDA Loan Payment - Apri	04/01/20	205
				\$9,959.12			
PL Type G General Ledger							
				\$9,559.94			
PL Type *R Revenue							
Account Descr R 201-31000 Property Taxes - General							
January		Journal Entr		\$200.05	To Reverse 2019 YE JE		201
January		Journal Entr		\$199.13	To Reverse 2019 YE JE		201
January		Cash Recei	HENNEPIN COUNTY TREA	\$200.05	HC Tax Settlement - Jan		201
January		Cash Recei	WRIGHT COUNTY AUDITO	\$199.13	WC Tax Settlement - Jan		201
				\$798.36			
Account Descr R 205-36210 Interest Earnings							
January	087337	Cash Recei	ASTRO ENGINEERING	\$260.11	EDA Loan Interest Paym	01/17/20	205
January	087307	Cash Recei	PLUG TECHNOLOGIES, IN	\$3.09	EDA Loan Interest Paym	01/06/20	205
February	087407	Cash Recei	ASTRO ENGINEERING	\$211.49	EDA Loan Interest Paym	02/14/20	205
February	010577	Cash Recei	BIG BORE BBQ COMPANY	\$231.15	EDA Loan Interest Paym	02/27/20	205
February	010577	Cash Recei	BIG BORE BBQ COMPANY	\$231.15	EDA Loan Interest Paym	02/27/20	205
February	087372	Cash Recei	PLUG TECHNOLOGIES, IN	\$2.31	EDA Loan Interest Paym	02/04/20	205
March	087523	Cash Recei	ASTRO ENGINEERING	\$216.12	EDA Loan Interest Paym	03/16/20	205
March	087536	Cash Recei	BIG BORE BBQ COMPANY	\$135.17	EDA Loan Interest Paym	03/20/20	205
March	087480	Cash Recei	PLUG TECHNOLOGIES, IN	\$1.45	EDA Loan Interest Paym	03/04/20	205
April	087622	Cash Recei	ASTRO ENGINEERING	\$235.24	EDA Loan Interest Paym	04/15/20	205
April	087633	Cash Recei	BIG BORE BBQ COMPANY	\$96.54	EDA Loan Interest Paym	04/21/20	205

Transaction Activity - EDA

Period Name	Check Nbr	Tran Name	Search Name	Amount	Comments	Check/Receipt Date	Fund
April	087559	Cash Recei	PLUG TECHNOLOGIES, IN	\$0.70	EDA Loan Interest Paym	03/31/20	205
Account Descr R 205-36210 Interest Earnings				\$1,624.52			
PL Type *R Revenue				\$2,422.88			
PL Type -E Expenditure							
Account Descr E 201-41330-306 Dues & Subscriptions							
April	034945	Cash Paym	INITIATIVE FOUNDATION	\$310.00	Endowment Pledge - 202	04/07/20	201
Account Descr E 201-41330-306 Dues & Subscriptions				\$310.00			
Account Descr E 201-41330-310 Other Professional Services							
February	034818	Cash Paym	VISA - BANKWEST	\$295.00	B. Hagen: Economic Dev	01/30/20	201
February	034818	Cash Paym	VISA - BANKWEST	\$1,100.00	B. Hagen: EDFP Cert. Tra	01/30/20	201
Account Descr E 201-41330-310 Other Professional Servi				\$1,395.00			
Account Descr E 201-41330-437 Other Miscellaneous							
March	002884	Cash Paym	HALLSTEIN, MARY ANN	\$148.67	Food for EDA Sponsored	03/09/20	201
April	034952	Cash Paym	VISA - BANKWEST	\$1,641.28	2020 EDA Business Socia	04/07/20	201
Account Descr E 201-41330-437 Other Miscellaneous				\$1,789.95			
Account Descr E 205-49300-318 EDA BIF: Matching Grant							
March	002908	Cash Paym	RIVER INN	\$1,230.00	Matching Grant for River	03/23/20	205
Account Descr E 205-49300-318 EDA BIF: Matching Gra				\$1,230.00			
PL Type -E Expenditure				\$4,724.95			
Act Year 2020				\$16,707.77			
				\$16,707.77			

<u>Borrower</u>	<u>5/11/2020</u>	<u>Paid Through</u>
	\$ -	
Plug Technologies, Inc.	\$ -	Paid Off in April
Astro Engineering	\$ 80,332.69	April
Roy C. Inc.	\$ 3,958.39	May
BBBBQ LLC	\$ 86,072.72	April
<b>Total</b>	<b>\$ 170,363.80</b>	



**To: Chair Bartels & Members of the Hanover EDA**

**From: Brian Hagen, City Administrator**

**Re: Tax Abatement Information – Mercantile Pass**

**Date: May 13, 2020**

Bryan Reitzner, local business owner, is proposing a mixed-use development generally located between the two bridges in Hennepin County and on the north and south sides of CSAH 19. The City has reviewed a concept plan and the project has received preliminary support for the commercial/retail uses of the project. The Planning Commission and City Council has expressed concern over the multi-family use of the project.

Mr. Reitzner has expressed interest in continuing to move forward with the commercial/retail aspect of the project and is still considering the residential aspect. In conversations with Reitzner, he inquired on any local incentive opportunities for the project. In reviewing the low interest loan with him, he indicated a larger amount would be desired.

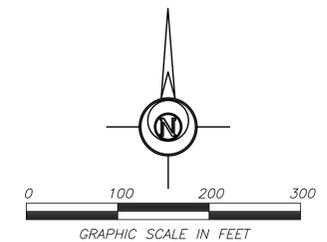
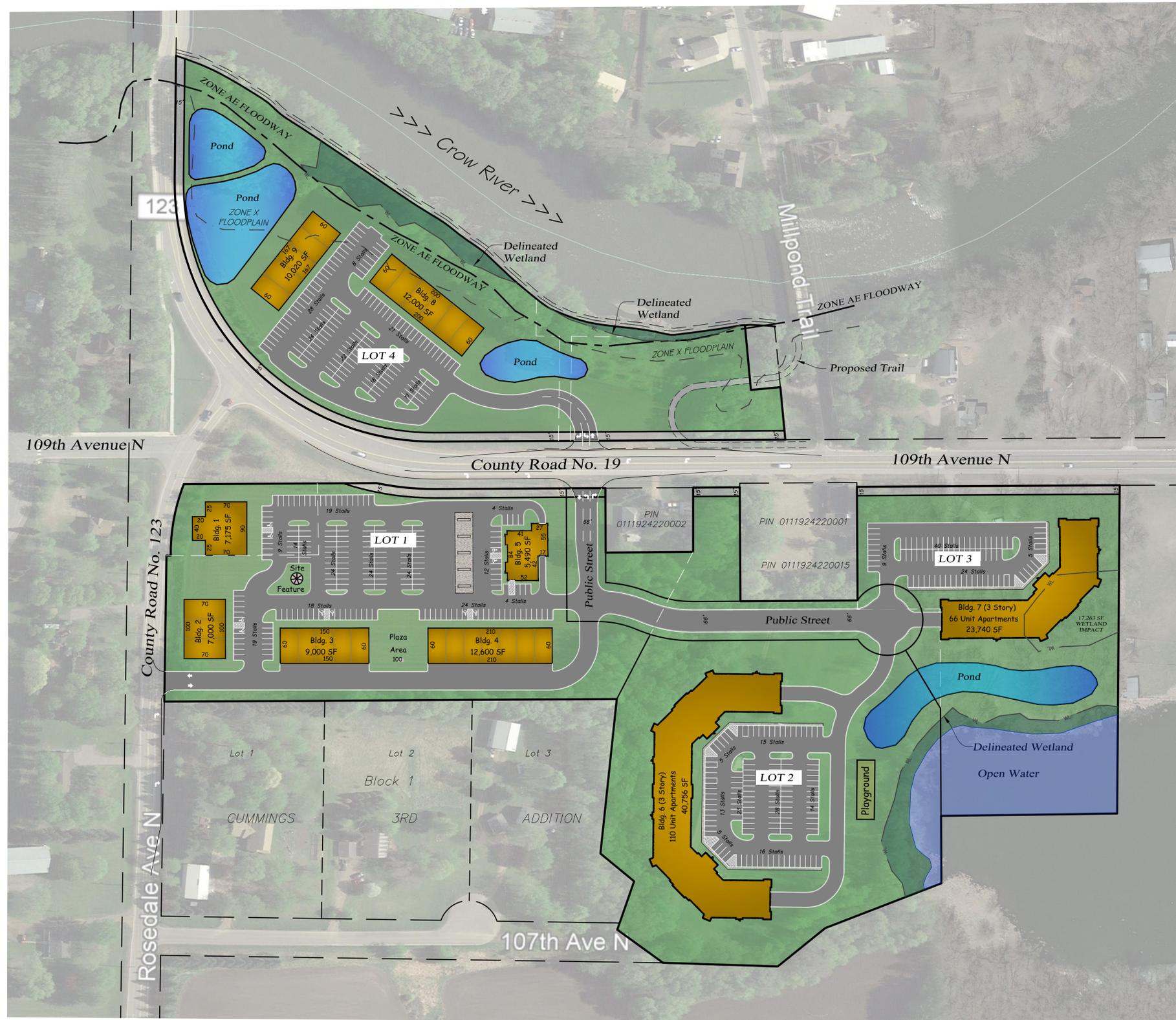
Two options exist in either TIF or Tax Abatement. When reviewing eligibilities for TIF, that program is not a likely option. However, Tax Abatement is more flexible for eligible uses and therefore can be considered by the City. Consideration for Tax Abatement starts with the EDA and has the EDA make a recommendation to the City Council for consideration.

Items to consider:

- Pre-Application – Free
- Final Application - \$6,500 escrow to pay for financial advisor, legal counsel, economic development consulting
- Maximum abatement amount of 10% of City Tax Capacity or \$200,000 per year, which ever is larger. This is total amount for all approved projects. Currently there are no active projects.
  - 2020 Tax Capacity is approx.. \$3,850,000
- Only City portion of taxes abated, other entities may choose to abate as well
- Max. term of 15 yrs with possibility to extend to 20 yrs

We will discuss an assumption of revenue that could be generated. Furthermore, we can discuss whether the EDA supports reviewing this further with the assistance of a financial advisor for more concise figures.

Attached is additional supplemental information including the concept plan and a House Research file on Tax Abatement.



CLIENT:  
**Bryan J Reitzner**  
 11227 River Road  
 Hanover, MN 55341  
 Bryan j Reitzner  
 763-498-7401  
 bryan@maverickconstructiononline.com

**EXISTING P.I.D. #S**

- 0111924220003
- 0111924220006
- 0111924220016
- 0111924210011
- 3612024330003
- 3612024330002

**APPROXIMATE GROSS AREA**

25.7 ACRES

**DEVELOPMENT DATA:**

- LOT 1:** BUILDINGS 1-5; 41,265 SF COMMERCIAL  
 1 STORY BUILDINGS  
 195 PARKING STALLS  
 GROSS LOT AREA: 253,196 SF = 5.8 AC  
 NET LOT AREA: 253,196 SF = 5.8 AC  
 FAR: 0.16 (NET AREA)  
 IMPERVIOUS AREA: 162,605 SF (64 %)  
 PERVIOUS AREA: 90,591 SF (36 %)
- LOT 2:** BUILDING 6; 110 APARTMENT UNITS  
 3 STORY BUILDING  
 110 PARKING UNDERGROUND  
 119 PARKING SURFACE  
 229 PARKING TOTAL  
 GROSS LOT AREA: 270,252 SF = 6.2 AC  
 NET LOT AREA: 250,107 SF = 5.74  
 FAR: 0.16 (NET AREA)  
 IMPERVIOUS AREA: 102,833 SF (38 %)  
 PERVIOUS AREA: 167,419 SF (62 %)
- LOT 3:** BUILDING 7; 66 APARTMENT UNITS  
 66 PARKING UNDERGROUND  
 78 PARKING SURFACE  
 144 PARKING TOTAL  
 GROSS LOT AREA: 191,278 SF = 4.4 AC  
 NET LOT AREA: 141,046 SF = 3.2 AC  
 FAR: 0.17 (NET AREA)  
 IMPERVIOUS AREA: 106,394 SF (56 %)  
 PERVIOUS AREA: 84,884 SF (44 %)
- LOT 4:** BUILDINGS 8-9; 22,020 SF COMMERCIAL  
 1 STORY BUILDINGS  
 132 PARKING STALLS  
 GROSS LOT AREA: 295,694 SF = 6.8 AC  
 NET LOT AREA: 278,407 SF = 6.4 AC  
 FAR: 0.08 (NET AREA)  
 IMPERVIOUS AREA: 89,063 SF (30 %)  
 PERVIOUS AREA: 206,631 SF (70 %)

**MERCANTILE PASS**  
 Multi Use Development Project  
 xxxxx 109th Avenue N  
 Hanover, Minnesota 55341  
**CONCEPT PLAN A**

I hereby certify that this plan, specification, or report was prepared by me or under my direct supervision, and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.  
 Date: \_\_\_\_\_ Reg. No. \_\_\_\_\_  
**CIVIL ENGINEERING**  
**SITE DESIGN**  
 1115 East Broadway St.  
 Monticello, Mn 55362  
 Phone: 763-314-0929  
 www.civilesd.com

REVISIONS	VERTICAL SCALE 1 inch = _____ feet
	HORIZONTAL SCALE 1 inch = 100 feet (FULL SIZE SHEET 22 X 30)

DATE 12/20/19	DRAWN BY SD	DESIGNED BY SD	CHECKED BY SD
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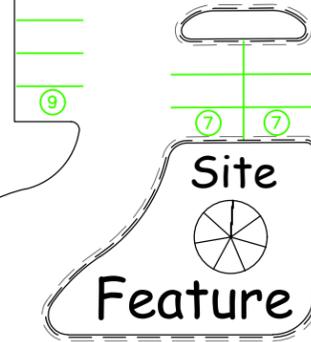
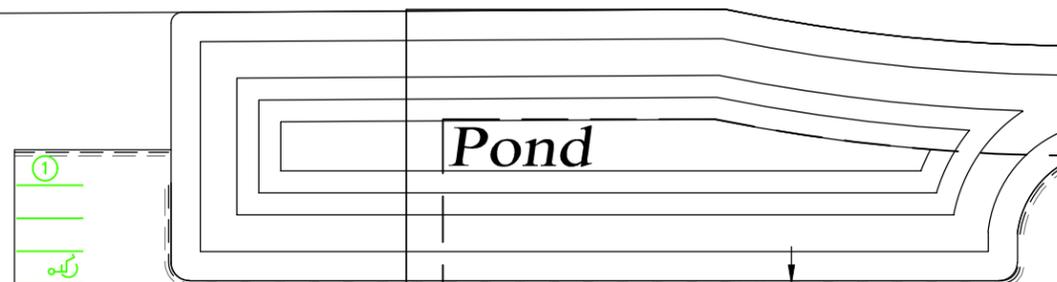
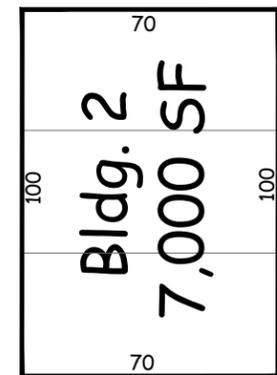
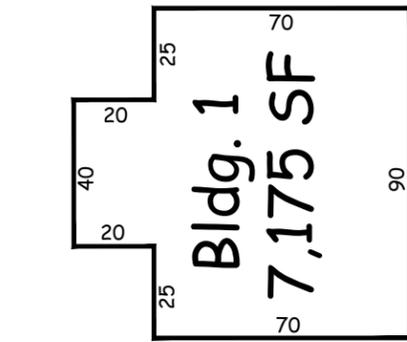
FILE NO. 00752

**1/1**

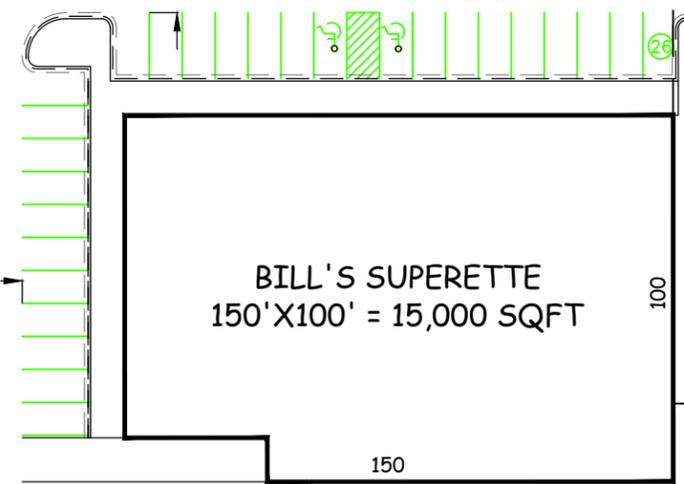
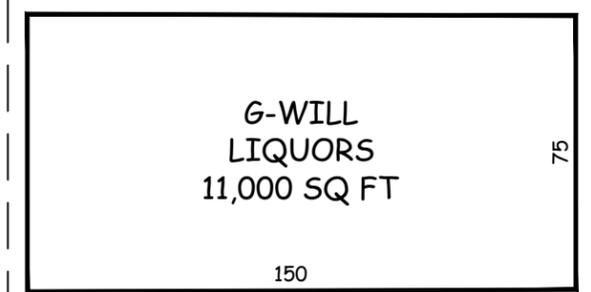
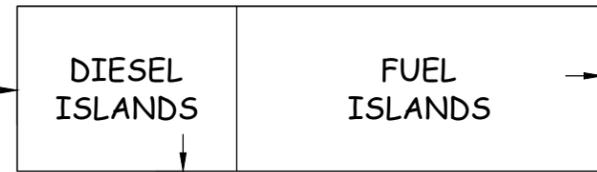
Concept Plan A



# County Road No. 19



LOT SIZE = 153,150 SQ FT (3.52 AC)

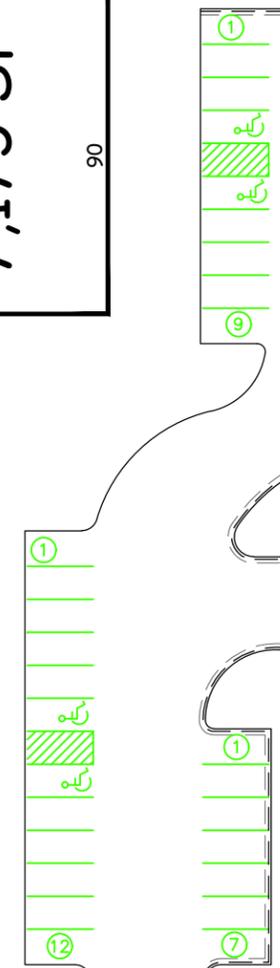


30' SETBACK TO CR 19 AND PUBLIC STREET

**Public Street**  
ROW = 17,058 SQ FT (0.4 AC)

20' SETBACK TO RESIDENTIAL

10' SIDE YARD SETBACK



01119

## 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 can be used for purposes similar to tax increment financing (TIF), a widely used development tool.

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 purposes, if the political subdivision finds that public benefits exceed the costs. Permitted uses of abatements include:

- General economic development, such as increasing the tax base or jobs
- 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

***Which property taxes may be abated?***

Counties, cities, towns, and school districts may grant abatements of the taxes they impose 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, sets the duration and the amount to 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, the 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. The owner pays property tax 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 paid to the property owner.

***May abatements be used to pay bonds used to fund public or private improvements?***

The abatement law authorizes the issuance of bonds to be paid with the abatements. For example, bonds could be issued to construct public improvements or to pay for a site for a business. The 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.

Under Department of Education administrative guidance, school districts may only issue abatement bonds for certain school parking improvements without voter approval. School districts have issued about \$47 million of these abatement bonds for parking improvements. The \$5 million annual levy to pay these bonds is not included in the school abatement levies in the table below.

***How do abatements compare with TIF?***

The legislature designed the abatement law as an alternative to and a supplement to TIF; both programs can be used for similar purposes, rely on property tax funding, and have very similar bonding powers. But they differ in these important respects:

- 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.

***How widely has abatement been used?***

The following amounts of abatement levies were reported for property taxes payable in 2018, as reported to the Departments of Revenue (cities and counties) and Education (schools).

	<b>Number</b>	<b>Amount</b>
Cities	73	\$12,485,808
Counties	31	2,409,625
Schools	12	1,608,875
Total	116	\$16,504,308

**For more information:** See the House Research publication *Tax Increment Financing*, September 2018.

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