

The Scandia Economic Development Authority met in the Board Room at the Scandia Community Center on Monday, December 19, 2016 beginning at 6:30pm.

Commissioners Present: Bob Hegland, Dan Lee, Robert Feidt, and Bruce Swenson.

Staff Present: Neil Soltis

Also present: County EDA Director Chris Eng, Council member Jim Schneider, Mayor-elect Christine Maefsky, and public

Hegland called the meeting to order at 6:30pm.

Motion by Swenson, seconded by Lee to approve the November 14, 2016 minutes. Motion carried.

Motion by Lee, seconded by Feidt to approve the agenda. Motion carried.

**Discussion on tax increment financing and tax abate programs** – Chris Eng presented background information regarding the use of tax increment financing and property tax abatement for economic development projects. Highlights of the tools are provided below:

#### Tax Increment Financing (TIF)

- A TIF district can be created by the City Council
- There is a cost to set up the TIF district in the range of \$10-15,000 and annual reporting requirements
- The value of the existing property is fixed and the City received the full amount of taxes on any increase in the value of the properties within the district.
- The TIF proceeds can be used to reimburse the City for funds advanced or used to reimburse the developer for costs incurred based on a development agreement
- The life of the TIF for low and moderate income housing can be up to 25 years and up to 8 years for economic development projects

#### Economic Development Tax Abatement

- The individual political subdivisions may grant abatements for only their portion of the taxes that they impose
- The abatements are authorized by resolution and do not have the set-up cost or annual reports costs associated with a TIF
- The political subdivision set the length of the abatement with a maximum of 15 years with limited exceptions.
- Tax abatement is subject to less legal restrictions regarding the use of the funds.

**Discussion on potential development opportunities** – The Board discussed the potential to develop and the issues related to the development of the 45 acres to the east of the Fire Hall for

commercial and senior living and how the economic development tools could be used to finance the necessary infrastructure. Eng noted that an updated housing demand study completed for the Washington County HRA is in draft form and does indicate a strong need for assisted living rental housing units and memory care rental units.

**Update on Comprehensive Planning Process** – Soltis reported that the Council will establish a steering committee for the update to the Comprehensive Plan and the Committee will likely have a representative on the Committee. Soltis also commented on the report that was distributed that looks at locally based food as a potential economic development strategy in the comprehensive plan.

**Next Meeting** - The next meeting was set for Monday, January 9, 2017 at 6:30 pm.

Motion by Lee, seconded by Swenson to adjourn at 7:55 p.m. Motion carried.

Respectfully Submitted, Neil Soltis, Secretary