



# Board of County Commissioners Agenda Request

**2Q**  
Agenda Item #

**Requested Meeting Date:** November 28, 2023

**Title of Item:** Tax Abatement Financing Policy

<input type="checkbox"/> REGULAR AGENDA	<b>Action Requested:</b>	<input type="checkbox"/> Direction Requested	
<input checked="" type="checkbox"/> CONSENT AGENDA		<input checked="" type="checkbox"/> Approve/Deny Motion	<input type="checkbox"/> Discussion Item
<input type="checkbox"/> INFORMATION ONLY		<input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Hold Public Hearing* <i>*provide copy of hearing notice that was published</i>

<b>Submitted by:</b> Mark Jeffers	<b>Department:</b> Administration
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<b>Presenter (Name and Title):</b> NA	<b>Estimated Time Needed:</b> NA
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**Summary of Issue:**

The Economic Development Committee has updated the Tax Abatement Financing Policy with two additions to the existing document.

(housing development was added to the sentence below.)  
B. Preference will be given to manufacturing, distribution, housing development or value added business or to a business providing services to these types of businesses.

(non-refundable was added to the sentence below.)  
H. A non-refundable TAF application fee of \$500.00 shall accompany each submitted TAF request.

**Alternatives, Options, Effects on Others/Comments:**

**Recommended Action/Motion:**  
Motion to approve the updated Tax Abatement Financing Policy

**Financial Impact:**

Is there a cost associated with this request?  Yes  No

What is the total cost, with tax and shipping? \$

Is this budgeted?  Yes  No *Please Explain:*



## **Tax Abatement Financing Policy**

### **I. GENERAL POLICY**

The purpose of this policy is to establish Aitkin County's position relating to the use of TAX ABATEMENT FINANCING (TAF) for private development in accordance with Minnesota Statutes 469.1812 - 1815. This policy shall be used as a guide in processing and reviewing applications requesting TAF assistance. The fundamental purpose of TAF in Aitkin County is to encourage desirable development and/or redevelopment that would not otherwise occur "but for" the assistance provided through TAF.

The County shall consider TAF for projects that serve to accomplish the County's goals for economic development as they may change over time. The goals include facilitating projects that would result in the creation of quality jobs (e.g. stable employment, wages with benefits) and the attraction, retention, and expansion of business and housing options in the County.

Aitkin County is granted the power to utilize TAF by the Minnesota Tax Abatement Act, as amended. It is the intent of the County to provide the minimum amount of TAF, at the shortest term required for the project to proceed. The County reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on county services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of TAF to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

### **II. CRITERIA FOR AWARDING TAF**

- A. The benefits to Aitkin County must be equal to the costs of the abatement, and must benefit the county in one or more of the following ways.
  - Increase to Aitkin County's tax base by at least \$500,000.
  - Create or retain, five Full Time Equivalent (FTE) jobs paying at a minimum, 140% of the Federal Poverty guidelines for a family of 4, or 115% of the Federal Poverty guidelines for a family of 4, with the difference between the 115% and the 140% consisting of health benefits, within two years of the TAF award date.
  - Provide or help acquire needed public infrastructure or public facilities.
  - Help develop or revitalize blighted areas.
  - Help with soil corrections, brownfield development, or other areas that due to extenuating site problems would not otherwise be developed.
  - Help provide access to services for residents of Aitkin County.
- B. Preference will be given to manufacturing, distribution, housing development or value added business or to a business providing services to these types of businesses.
- C. Retail business will not be considered for TAF unless the project creates substantial quality employment and substantial tax base.
- D. Aitkin County will consider the impact of the project on public services, including but not limited to: pollution, traffic, and the need for additional law enforcement
- E. Aitkin County shall limit the amount of TAF to the increase in new property taxes resulting from the improvement in the property from the project.



- F. Aitkin County may limit the TAF to a specific dollar amount per year or in total or in any manner the county feels is appropriate.
- G. The pay as you go financing method for TAF is preferred.
- H. A non-refundable TAF application fee of \$500.00 shall accompany each submitted TAF request.
- I. Aitkin County reserves its right to review and if the project requirements are not being fulfilled to modify the abatement every second year after approval of the TAF.
- J. Before TAF is considered for any project or property, it must be in compliance with all Aitkin County ordinances, tax payments, or any other legal or financial obligations to Aitkin County. Projects that are within city limits must also be in compliance with all ordinances, tax payments or any other legal or financial obligations to the City.
- K. A written application on a form provided by the county shall be completed for each TAF request. The Aitkin County Economic Development Committee shall review each request and make written comments to the county board. The Aitkin County Board will make the final decision in the granting of any TAF.