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# **CITY OF LINDSTROM TAX ABATEMENT – TAX INCREMENT FINANCING INVESTMENT POLICY**

## **1. PURPOSE AND AUTHORITY**

- 1.01 The purpose of this policy is to establish the application process and the criteria for tax abatement and tax increment financing investment applications in the City of Lindstrom. This process and these requirements apply to both the Lindstrom Economic Development Authority (EDA) and the Lindstrom City Council for reviewing and considering said applications.
- 1.02 The City of Lindstrom is authorized to make tax increment financing investments or to provide tax abatement pursuant to Minnesota Statutes §469.1812 through §469.1815.

## **2. APPLICATION REQUIREMENTS AND PROCESS**

- 2.01 Each request for tax abatement and tax increment financing investment shall be submitted in writing to the Lindstrom EDA on a form provided by the City.
- 2.02 The Lindstrom EDA shall review each application and make recommendations to the Lindstrom City Council.
- 2.03 The Lindstrom City Council shall hold a public hearing on the tax abatement or tax increment financing investment application following which the investment may be approved. The investment will be implemented only upon passage of a resolution and Tax Abatement Agreement or Tax Increment Financing (TIF) Development Agreement specifying the terms of the investment.

## **3. PUBLIC POLICY REQUIREMENTS**

Each application requesting tax abatement or tax increment financing investment from the City must:

- 3.01 Demonstrate in the application that the benefits to the City will be at least equal to the costs of the tax abatement or tax increment financing investment.
- 3.02 Demonstrate that the project will benefit the City in the following ways:
  - a) Increase or preserve tax base,
  - b) Create or retain jobs,

- c) Provide or help acquire, finance or construct public facilities,
- d) Help develop or renew blighted areas or renovate downtown buildings,
- e) Help provide access to services for residents, or
- f) Retain the business if it is at risk of relocating.

#### **4. APPLICATION CONSIDERATION**

The following criteria will be considered by the City of Lindstrom when reviewing applications for tax abatement or tax increment financing investment in accordance with Minnesota Statutes. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any applicant, business, community, proposed project or developer.

- 4.01 The City of Lindstrom will consider retail or service businesses for tax abatement or tax increment financing investment if it is determined the proposed project accomplishes the following goals:
  - a) Creates employment opportunities,
  - b) Creates tax base,
  - c) Provides or helps acquire, finance or construct public facilities,
  - d) Helps develop or renew blighted areas or renovate downtown buildings,
  - e) Helps provide access to services for residents, or
  - f) Retains a business if it is at risk of relocating.
  
- 4.02 The City of Lindstrom may consider the impact of the project on the surrounding area including but not limited to: pollution; traffic; sewer and water; parks; and, need for additional government services such as law enforcement.
  
- 4.03 The City Council may approve tax abatement and tax increment financing investment terms at its discretion based on the individual project being considered.
  
- 4.04 The City Council may limit the amount of the tax abatement or tax increment financing investment:
  - a) To a specific dollar amount per year or in total,
  - b) To the increase in property taxes resulting from improvement of the property,
  - c) To the increases in property taxes resulting from increases in the market value or tax capacity of the property,
  - d) In any other manner the City determines is appropriate;
  - e) The City may not abate tax attributable to the value of the land or the area wide tax under Minnesota Statutes, §276A or §473F.
  
- 4.05 Equal consideration may be given to businesses currently located in the City which are renovating, expanding or adding on to their existing building and new businesses seeking to locate in the City.

- 4.06 Tax abatements and tax increment financing investments will only be provided within debt limit guidelines and other appropriate financial requirements and policies.

**5. APPLICATIONS WILL RECEIVE PRIORITY FOR:**

- 5.01 Priority will be given to projects that create new employment opportunities.
- 5.02 Preference will be given to projects which include downtown building renovations, manufacturing, distribution, or technology-based firms or business which employ a majority of professional or skilled labor.
- 5.03 Preference will be given to projects constructed of block, engineered concrete, brick or which contain decorative accessory materials.
- 5.04 The applicant, proposed project or potential development must comply with the applicable Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration at the time of approval.
- 5.05 To be considered as a redevelopment project at least 90 percent of the tax abatement or tax increment financing investment by the City must be expended by the applicant to eliminate blight conditions which justify creation of a redevelopment district.