

City of Hoyt Lakes Resolution 2024-018

A Resolution **APPROVING PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTY LOCATED IN THE CITY OF HOYT LAKES AND TAX LEVY PLEDGE FOR THE 2024A GENERAL OBLIGATION BONDS.**

BE IT RESOLVED By the City Council (the “Council”) of the City of Hoyt Lakes, St. Louis County, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. The City is considering authorizing a property tax abatement (the “Abatement”) in order to undertake certain improvements in the community to renovate the Hoyt Lakes Recreation & Wellness Facility located in the City, (the “Project”), all pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Act”).

1.02. Pursuant to Section 469.1813, Subdivision 1 of the Act, if the benefits to the City of the proposed Abatement at least equal the costs to the City of the proposed Abatement, the City may grant an abatement of all or a portion of the taxes imposed by the City on an affected parcel of property to pay for, among other things, access to services for residents of the political subdivision.

1.03. The City has identified parcels located in the City, as described in Exhibit A hereto (the “Abatement Property”), which Abatement Property will be benefited by the Project and from which the City proposes to abate a portion of the City’s share of taxes to help finance the Project, subject to all the terms and conditions of this Resolution and the Act.

1.04. The City intends to pay for the Project through the issuance of approximately \$2,491,000 general obligation tax abatement bonds, issued pursuant to the Act (the “Bonds”), the principal of which is attributed to the proposed tax abatement and is expected to be paid through the collection of Abatement revenues.

1.05. On the date hereof, this Council conducted a duly noticed public hearing on the Abatement, at which the views of all interested persons were heard.

Section 2. Findings.

2.01. This Council finds and determines that the public benefits to the City from the Abatement will be at least equal to the costs to the City of the Abatement, because (a) the Abatement will help finance the Project which will result in the continued access to recreation, health, and wellness activities within the City, and (b) the Project will provide improved services for residents of the City.

2.02. This Council finds and determines that the Abatement is in the public interest and confers public benefits for the reasons described in Section 2.01 hereof and because it will finance public facilities that provide access to recreation, health, and wellness services.

Section 3. Actions Ratified; Abatement Approved.

3.01. This Council ratifies all actions of the City's staff and consultants in arranging for approval of this Resolution in accordance with the Act.

3.02. Subject to the provisions of the Act, the Abatement is approved and adopted subject to the following terms and conditions:

(a) The term "Abatement" is further defined to mean the City's share of the real property taxes generated from the Abatement Property, in the amounts described in this Section:

(i) The Abatement shall be for a twenty (20) year period and shall apply to the City's share of the taxes payable in the years 2025 through 2044.

(ii) The aggregate Abatement paid by the City during the term of this Resolution will not exceed the amount necessary to pay 100% of the principal on the abatement portion of the Bonds, up to a maximum of \$2,491,000.

(iii) In accordance with Section 469.1813, Subdivision 8 of the Act, in no year shall the Abatement, together with all other abatements approved by the City under the Act and paid in that year, exceed the greater of 10% of the City's net tax capacity for that year or \$200,000 (the "Abatement Limit"). The City may grant other abatements permitted under the Abatement Law after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Limit the allocation of the Abatement Limit to such other abatements is subordinate to the Abatement granted by this resolution.

(b) The City will pay the Abatement solely to finance the Project, through application of Abatement amounts toward principal payments on the Bonds (including any bonds issued to refund the Bonds).

(c) The Abatement shall be subject to all the terms and limitations of the Abatement Law.

3.03. The Mayor and the City Administrator are authorized and directed to execute and deliver any agreements, certificates, or other documents that the City determines are necessary to implement this Resolution.

Adopted by the Hoyt Lakes City Council this 26th day of August 2024.

Ayes: Jarvela, Scott, Beauregard, Kramar, Grams

Nays: None



Cherie Grams

Cherie Grams, Mayor



Becky Lammi, City Administrator