

CITY OF CALEDONIA, MINNESOTA

RESOLUTION NO. 2016-005

**RESOLUTION APPROVING
PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTY
LOCATED IN THE CITY OF CALEDONIA**

BE IT RESOLVED by the City Council (the "Council") of the City of Caledonia, Houston County, Minnesota (the "City") as follows:

Section 1. Recitals.

1.01. The City is considering granting a prospective property tax abatement (the "Abatement") in order to help finance the City's portion of improvements related to the repair and improvement of aquatic park facilities 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, the provision of public infrastructure.

1.03. The City has identified 200 residential 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 \$1,400,000 general obligation tax abatement bonds, issued pursuant to the Act (the "Bonds"), the principal of which 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 construction of public facilities within the City, and (b) the Project will provide access to 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 infrastructure.

Section 3. Actions Ratified; Abatement Approved.

3.01. This Council ratifies all actions of the City's staff and consultants in arranging for

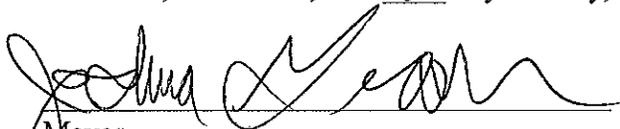
approval of this Resolution in accordance with the Act.

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 fifteen (15) year period and shall apply to the City's share of the taxes payable in the years 2017 through 2031.
 - (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 Bonds, up to a maximum of \$1,400,000.
 - (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 City Council of the City of Caledonia, Minnesota, this 23rd day of May, 2016.


Mayor

ATTEST:


City Clerk-Administrator

EXHIBIT A

ABATEMENT PROPERTY

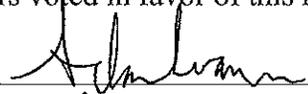
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STATE OF MINNESOTA)
COUNTY OF HOUSTON)
CITY OF CALEDONIA)

I, Adam Swann, city clerk and administrator of the City of Caledonia, do hereby certify that this is a true and correct transcript of the resolution that was adopted at a meeting held on the 23rd day of May, 2016, the original of which is on file in this office. I further certify that 4 members voted in favor of this resolution and that 5 members were present and voting.

Signed

Date



May 24, 2016
