

## **ST. LOUIS COUNTY TAX ABATEMENT FINANCING**

### **PURPOSE OF TAX ABATEMENT FINANCING**

St. Louis County will utilize Tax Abatement Financing as a tool in accomplishing its goals of housing and economic development. These goals include facilitating projects that result in the creation of quality jobs and the attraction, retention, and expansion of business and housing options within the county.

### **PUBLIC BENEFIT**

The public benefits of a project must be expected to exceed the costs to the county and the project must meet one or more of the following criteria required by Minnesota Statute:

1. Increase or preserve the county tax base.
2. Provide permanent employment opportunities within the county.
3. Provide or help acquire or construct public facilities.
4. Help redevelop or renew blighted areas within the county.
5. Help provide access to services for county residents.
6. Finance or provide public infrastructure, or
7. Phase in a property tax increase resulting from a 50% or greater increase in estimated market value in one year from factors other than property improvement.

### **PROJECT REQUIREMENTS**

1. The project must be in conjunction with a municipality.
2. Project generates full-time equivalent jobs with benefits.
3. Speculative projects or developments will not be funded.
4. Non-housing projects must have at least 51 percent of funds from non-public source.

5. Housing projects must provide a minimum of 12 affordable rental units and remain affordable for 15 years. Affordable rents will be no greater than fair market rents as determined by HUD.
6. All agreements entered into under this policy may be subject to the County Debt Policy.
7. All agreements entered into under this policy are subject to the requirements of the County Business Subsidy Criteria and Minnesota Business Subsidy Act.
8. Project will not place extraordinary demands on public services or generate significant environmental problems.
9. Priority will be given to projects that clean up existing contaminated sites.
10. Projects must conform with all applicable state, local and federal requirements.

## **LIMITATIONS**

1. Total annual commitment for St. Louis County TAF will not exceed one percent of the existing county levy.
2. Term – 10 years.
3. Total county contribution for any project regardless of the number of property tax parcels involved will not exceed \$300,000 over the term of the agreement or \$30,000 in any given year.
4. The county will not abate, retain, or defer in any one year more than the county's share of taxes.
5. The maximum abatement for each qualified job - \$1,000 per year.
6. The maximum abatement for each affordable housing unit - \$1,000 per year.
7. No carry over of any "unused" abatement.
8. Property within a tax increment financing district does not qualify.
9. Personal property taxes and special assessments levied by any subdivision do not qualify for abatements.
10. Deferred taxes will be due and payable in the first property tax payable year after the end of the agreement.

11. The county board may extend the time for recipient's performance but will not extend the time for payment of annual property taxes.
12. No abatement installment will be paid if property taxes are not paid when due.

## **OVERVIEW**

### **Initial Application**

1. Applications completed on forms provided. County may accept municipal or another funder's application provided adequate information and documentation is provided.
2. Applicants must submit a non-refundable fee payment of \$1,000 with the initial application.

### **Final Application**

1. Applicant will submit a final application with additional documentation and a non-refundable application fee of \$2,000. County will evaluate costs after one year and make recommendations on fees.
2. County Board sets public hearing for final review and recommendation.

*Annual reporting required during financing period.*

**To obtain required application forms or for further information, please contact:**

St. Louis County Planning and Community Development  
100 Missabe Building  
227 W. First St.  
Duluth, MN 55802  
218-725-5000