

**CITY OF FOLEY
BENTON COUNTY
STATE OF MINNESOTA**

RESOLUTION 2016 - 5

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS
FOR THE SILT SOCK INC. PROJECT.

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

1. Recitals.

(a) Silt Sock Inc. (the "Company") has requested the City to abate the increase in property taxes to be levied by the City generated for 10 years (specifically, with respect to the payable 2027 through 2036 property taxes) on Tax Parcel No. 130068200 (the "Property") after the expiration of Tax Increment Financing District No. 1-9. It is the intent for the Company to construct a manufacturing and distribution facility with an estimated completed market value of \$1,954,300 (the "Project") located in the City. The abatement (the "Abatement") for the 10 year period is estimated to be approximately \$90,000 with a present value of \$70,256. Abatement assistance may be used for costs related to land acquisition and site improvements.

(b) On the date hereof, the Council held a public hearing on the question of the Abatement, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice hereof.

(c) The Abatement is authorized under *Minnesota Statutes*, Sections 469.1812 through 469.1815 (the "Abatement Law").

2. Findings for the Abatement. The City Council hereby makes the following findings:

(a) The Council expects the benefits to the City of the Abatement to at least equal the costs thereof.

(b) Granting the Abatement is in the public interest because it will increase or preserve the tax base of the City, help retain and expand commercial and industrial enterprise in the City, and provide employment opportunities in the City.

(c) The Council expects the public benefits described in (b) above to be derived from the Abatement.

(d) The Property will no longer be in Tax Increment Financing District No. 1-9.

(e) In any year, the total amount of property taxes abated by the City by this and other resolutions does not exceed the greater of ten percent (10%) of the current levy or \$200,000, which ever is greater.

3. Terms of Abatement. The Abatement is hereby approved. The terms of the Abatement are as follows:

(a) The Abatement shall be for a maximum of 10 years and shall apply to the taxes payable in the years 2027 through 2036, inclusive.

(b) For each year within the Abatement term, the amount of the Abatement shall be equal to the City's portion of ad valorem property tax imposed on the Project, which shall not exceed \$9,000 in any year. The increase in property taxes will be over the 2016 base tax capacity.

(c) The abatement may not be modified or changed during the term set forth in (a) above, except with the prior written consent of the County and Authority.

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

(e) In order to be entitled to the Abatement, the Company shall not be in default within the City of any of its payment obligations respecting any taxes, assessments, utility charges or other governmental impositions.

(f) All terms will be subject to final approval of the Development Agreement between the taxing jurisdictions and the Company.

Adopted on February 16, 2016, by the Foley City Council.

PASSED AND ADOPTED by the City Council of the City of Foley this 16th day of February, 2016.

CITY OF FOLEY

By _____
Dave Mosford, Its Mayor

Attest:

By _____
Robert Barbian, City Administrator