

UNAPPROVED MINUTES
WATKINS CITY COUNCIL
THURSDAY, DECEMBER 12, 2019
PUBLIC HEARING

Mayor Eder called the public hearing to order at 6:40 p.m. at City Hall.

MEMBERS PRESENT: Mayor Frank Eder, Tootz Tschumperlin, Marc Wirz, Jason Laumer

MEMBERS ABSENT: Sue Unterberger

OTHERS: David Tysk, Scott Mann, Doug Ruhland, Duane Peterson, Jan Sheets

Purpose of the hearing is for a tax abatement request from Meeker Leased Housing, LLC in connection with the proposed construction of a 20-unit multifamily residential housing facility for an amount not to exceed \$235,000 and a term not to exceed 15 years.

Mayor Eder opened the floor for discussion.

Kramer noted she had the abatement figures reviewed by the county auditor and assessor. The assessed value for the 2020 assessment year (pay 2021) would be \$1,239,000. The class rate would be 1.25% and the tax capacity value would be \$15,488. The city's proposed tax rate for pay 2020 is 105.01%. The amount of estimated annual city tax would be \$16,264. Over 15 years this would come to \$243,960. The proposed grant request to MN Housing is \$425,205. The city needs to make a 1:2 contribution as part of the grant application. This would be \$212,602. Preference points are given if an applicant commits to increasing its local contribution. An increased contribution of 10% would make the city contribution \$233,862. The discounted land sale value benefit (\$9,000) would count towards the city's 1:2 match, so the amount of abatement needed would be \$224,862. Over 15 years, the annual abatement needed would be \$14,991.

David Tysk noted the increased contribution amount has been lowered to 7.5%.

Duane Peterson asked about the city's contribution. It was noted this would be done through tax abatement. The owner would pay taxes and essentially get a rebate.

There being no further discussion, Mayor Eder closed the floor.

MOTION BY MEMBER WIRZ TO ADJOURN THE HEARING, SECONDED BY MEMBER LAUMER. MOTION CARRIED.

Adjourned at 6:48 p.m.

Submitted by

Deb Kramer
Clerk

ATTEST:

Frank Eder,
Mayor