

UNAPPROVED MINUTES  
WATKINS CITY COUNCIL  
PUBLIC HEARING  
THURSDAY, NOVEMBER 6, 2014

Mayor Loch called the public hearing to order at 7:02 p.m. at City Hall.

MEMBERS PRESENT: Mayor Dennis Loch, Sue Unterberger, Melody Gertken

MEMBERS ABSENT: Jersey Piccerillo, Jerry Hesse

OTHERS: Tammy Omdal from Northland Securities, Fred Struzyk and Tom Opatz from Hilltop Health Care Center and Clerk Deb Kramer

The purpose of the hearing was for a proposal to grant property tax abatement for property taxes levied by the City on the property identified as Meeker County tax parcel number 28-0023000.

Fred Struzyk gave some background information on Hilltop Health Care Center. He and Tom purchased the facility in 2012. They haven't decreased staff since they took over. They have given bonuses to staff the past couple of years and have supported the local businesses by purchasing gift certificates. They have started a scholarship program. When they purchased the facility they made a business decision to become a taxable entity. They felt the way the city fought to keep the home opened was reason to do this. They have paid their water and sewer utility bills without ever asking for a discount. The tax abatement request before the council is the first assistance they have asked for. They thanked the city for extending the sewer main to the new addition. They have been using local contractors for the new addition.

Fred noted they were asking for tax abatement for the new addition to the Nursing Home and also the assisted living facility (ALF). If they don't get the abatement, they will not be able to accept elderly waiver residents. They are requesting 60% of the taxes to be abated over a ten year period.

Tammy Omdal with Northland explained that the estimated taxable value of the expansion would be \$2.5 million. Hilltop is seeking 60% of the **new** property taxes to be abated. The new estimated property taxes from the expansion are \$60,000.00 to the city and county. Hilltop will stay property taxes as they have been. Twice a year they will get a tax abatement payment over a ten year period if approved. The other 40% of the new taxes will come back to the city and county. Under a ten year term, the annual abatement from the city would be approximately \$26,895.00. The county's share, if approved, would be approximately \$8,878.00 for a combined total of \$35,773.00 annually. Tammy noted the city could go up to 15 years on the abatement. Hilltop is requesting 10 years. Tonight the city would only authorize the abatement. A development agreement will need to be drafted spelling out all the terms if approved. Hilltop is committing to 4.7 FTE new jobs.

Fred noted they would be allowing the elderly waiver program. This program pays about 50% of what a private pay resident would. They want to be able to allow people from Watkins to stay here in the community.

Tammy noted this would be decided in the development agreement. It is possible for the county to not approve the request even if the city does. There will be separate development agreements drafted for the city and Hilltop and Meeker County and Hilltop.

There being no further discussion the public hearing was closed.

A MOTION WAS MADE BY GERTKEN TO ADJOURN THE HEARING, SECONDED BY UNTERBERGER.  
MOTION CARRIED.

Adjourned at 7:24 p.m.

Submitted by

Deb Kramer, Clerk

ATTEST:

Dennis C. Loch, Mayor