

**City of Columbus**  
**Public Hearing – City Council**  
**ESTABLISHMENT OF PROPOSED DEVELOPMENT DISTRICT AND TAX**  
**INCREMENT FINANCING DISTRICT (CC18-104)**  
**October 17<sup>th</sup>, 2018**

The October 17<sup>th</sup>, 2018 Public Hearing was held on:

- (i) The establishment of a development plan for Municipal Development District No. 1
- (ii) The establishment of Tax Increment Financing District No. 1-1 (the “TIF District”), an economic development district, within the Development District and the adoption of a tax increment financing plan (the “TIF Plan”)
- (iii) A business subsidy for tax increment assistance to be provided to JP Ecommerce, Inc., a Minnesota corporation, or any of its affiliates or subsidiaries (collectively, the “Business Subsidy Recipient
- (iv) A business subsidy to be provided to the Business Subsidy Recipient under the Business Subsidy Act consisting of a loan of funds derived from a Minnesota Investment Fund grant in the approximate amount of \$964,500, for the purchase of equipment for the Business Subsidy Recipient’s business to be located within the proposed TIF District.

was called to order at 7:01 p.m. by Mayor Dave Povolny at the City Hall. City Council Members: Denny Peterson, Mark Daly, Jeff Duraine and Bill Krebs. Present were Commission members: Chair Garth Sternberg, James Watson, Pam Wolowski, Jesse Preiner and Jody Krebs; City Administrator Elizabeth Mursko; and Recording Secretary Rochelle Busch.

Also, in attendance were Marc Paul, Jason Garr, John Hraba, Joe and Deb Pribyl, Mike and Deb Jordan, Dan Mike, Shelly and Arlen Logren, Tammy Omdal and John Gross.

**Povolny:** At this point I’d like to open a public hearing to discuss the establishment of proposed development district and tax increment financing district, I will open the meeting. Rochelle, would you read the notice.

Notice was read at this time by the recording secretary.

**Povolny:** Okay, with that in mind, discussion about the proposal here. Could we have Tammy come on up if you’d like.

**Omdal:** Good evening Mayor, members of the Planning Commission. I’m Tammy Omdal with North Land Securities. Northland is assisting the City on the tax increment financing district. I’ll start by the notice there was a lot of legalese. There are really three purposes of this public hearing and when I’m done I will speak to the actions related to that.

There’s the consideration of the establishment of the TIF district, there would be a resolution related to that.

There’s the consideration of the business subsidy. Under Minnesota law given the amount that is being considered and the fact that it’s over \$150,000, state law requires you hold a public hearing related to that business subsidy and the contract.

The final purpose, is the applicant is seeking the City to make application to the State of Minnesota for state funds, under a program called the Minnesota Investment Fund. And before the City can submit that application on behalf of the business, the City must hold the public hearing and pass a resolution that accompanies that application.

So those are the three purposes. Before the City can act, and tonight it would be the City Council that would be acting, before the City can act on the establishment of the TIF district, because there is a notice requirement to the county and school. So, the county and school received a copy of the plan at the end of September, they have 30 days under state law to review that. That 30-day period would be October 31<sup>st</sup>. The City had the ability to request a waiver of that 30 days, which the City did request. The City has received written comments from the school district that were needed. The City has not received written comment from the board yet. The City Administrator, Elizabeth, has spoken to the county. Those comments are forthcoming. But because those are not in hand this evening, the City cannot act on the resolution to establish the TIF district this evening. You've opened the public hearing tonight, the Planning Commission, the City Council can take comment from the public on the plan. But the hearing will need to be continued to a date certain. If it is continued to next week, to October 24<sup>th</sup>, it will require that the City have those written comments by that day. Elizabeth is confident, based upon our discussion that will be the case. If for some reason that is not received, then the public hearing and the approval of the TIF plan would need to continue at a date on or after October 31<sup>st</sup>. So tonight, the purpose of receiving comments, is there was a plan, a lengthy plan that was drafted under Minnesota Law, speaking to the various findings the City Council would need to make on a purposed Economic Development Tax Increment Financing District and for the benefit for all listening, a TIF district allows the City to capture the increase in local property taxes, for a period of time. And because of the type of TIF district that's being considered and allowed in an Economic Development District, that term is 9 years. So, if this is approved, for 9 years, the City would be able to capture the increase in local property taxes to assist. I won't get into numbers this evening unless after I close my comments, the Planning Commission or the City Council has questions we certainly can get into that level of detail.

With that, I will stop with my comments. Mayor, Chair, if there are any questions of the City Council or the Planning Commission, I would be happy to answer.

**Povolny:** Okay, is there any out in the audience who has a question for Tammy or us? Hearing none, I will continue the hearing until next Wednesday, October 24, 2018, when we will reconvene with the appropriate material. We will go from there.

Respectfully submitted:

Rochelle Busch, Recording Secretary