

City of Marshall

Tax Abatement Policy

for New Construction of Single and Multi-Family Homes

Intent

The purpose of the City of Marshall Tax Abatement Policy for New Construction of Single and Multi-Family Homes (of 12 units or less) is to provide incentives in Marshall to encourage the construction of new owner occupied and residential rental housing units and increase the value of the future tax base for Marshall taxpayers.

Duration

This policy is in effect from July 24th, 2018, to December 31, 2022, and may be modified or rescinded at any time by the Marshall City Council.

Tax Abatement Authority

Minnesota Statute § 469.1813 grants a political subdivision the authority to abate property taxes.

Eligible Participants

Any person or entity who constructs a new single-family home, duplex, or multi-family complex consisting of 12 units or less, and who files application material and seeks formal approval from the City of Marshall between July 24, 2018, and December 31, 2022, may be eligible to receive a tax abatement of the City's increased real estate taxes as a result of building newly constructed housing or a home, for a period of two (2) years provided all of the following are met:

1. Property is located within the City of Marshall and zoned and permitted properly for the proposed development project.
2. The applicant has not and will not receive other local public financial assistance such as Tax Increment Financing (TIF) or any other forms of incentive that are prohibited by state statute to be used with Tax Abatement. However, this program will coordinate with other local government tax abatement programs (ex. Lyon County)
3. Project is built to building codes adopted at the time building permit is obtained.
4. Property taxes are current and paid on time and in full.
5. Program approval is obtained for building permits pulled after July 24, 2018.

Each abatement application will be individually considered by the Marshall City Council. The city council reserves the right to accept or reject any application for any reason. When an abatement is approved, the city portion of annual real estate taxes will be returned via a single payment made to the taxpayer of record as of December 1st to be issued by December 30th for that calendar year.

The abatement period will begin two taxes payable years following the year of application, or not more than two years following approval of the taxing authority's resolution, whichever is first, and shall continue for two (2) years. Example: If an application is made in 2018, then 2021 would be the first year the owner of record as of December will receive an abatement check. The following is an example of a time timeline for tax abatement if an application was made in 2018:

Year 1	Application Year	2018	Application made = house 50% complete, improvements will be reflected on EMV as of 1/2/2019	Taxes due on vacant lot (1/2/2017 EMV)
Year 2	Build and partial valuation	2019	House is 100% Complete = house completed during this year = improvements will be reflected on EMV as of 1/2/2020	Taxes due on vacant lot (1/2/2018 EMV)
Year 3	Build and partial valuation	2020	House is 100% complete	Taxes due on 50% completion (1/2/2019 EMV)
Year 4	100% of City portion	2021	House is 100% complete	Taxes due on 100% -1 st year of abatement (1/2/20 EMV)
Year 5	100% of City portion	2022	House is 100% complete	Taxes due on 100% - 2 nd year of abatement (1/2/2021 EMV)

The abatement will transfer with the sale of the property for the balance of the two-year abatement period. *The maximum abatement amount any individual property can receive over 2 years is \$20,000.

This abatement does not apply to, or include, existing and/or new special assessments to the property.

Application Procedure

Statute requires the City to approve each abatement application. Thus, all applications will be considered on a "first come - first served" basis.

A complete application for Abatement shall consist of:

- An application requesting abatement for eligible projects addressed to the City of Marshall City Clerk and remittance of an application fee. (application attached)
- Legal description of the subject property, including address and property identification number.
- A site plan and construction plan for the proposed project.
- A copy of the building permit.

Applications are to be submitted to the City of Marshall City Clerk. The City Clerk will forward the completed application to the City Council for consideration. The City Council shall schedule a date for a public hearing on the abatement request(s) pursuant to Minn. Stat. § 469.1812 to § 469.1815 to receive input on each abatement request and shall pass a resolution to approve or deny said application.

The City is solely responsible for its share of property tax abatements and this policy does not allow the City to abate County, Township or School District property taxes.

Final Statement

From a valuation and timing standpoint, the intent is to provide the maximum amount of abatement for two years. This means that if a home is only at partial value, they could pay the partial value, and wait until the full calendar year of full valuation to maximize the benefit received. Staff will work to accommodate this.

Application Review and Approval Process shall be followed as specified in Tax Abatement Policy as specified herein.

Property Information:

Location: 1103 SLATE ST Access Road: _____
Section: _____ Township: _____ Range: _____ Property Identification Number: Lot 6 Block 2
Legal Description: Stonebridge Estates PLAT 27-706023-0
(attach if needed)
Parcel Width: 109 (feet) Length: 135 (feet) Acres: _____

Applicant Information:

Applicant Name: JOHN PARSONS Phone: 507-828-0227(h) _____ (w)
Mailing Address: _____
Applicant Signature: John Douglas Parsons

Owner Information:

Owner Name: JOHN PARSONS Phone: 507-828-0227(h) _____ (w)
Mailing Address: _____
Owner Signature: John Douglas Parsons
Contractors or Contract for Deed Holders – owner must sign the application.

Company Information:

Owner Name: _____ Phone: _____ Fax: _____
Location: _____
Type of Company: _____ Service Provided: _____

Please attach the following documentation:

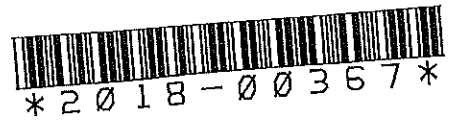
- ☒ Map or site plan, prepared by an architect or engineer, showing the boundaries of the proposed development, the size and location of the building(s) and parking areas.
- ☐ Written narrative describing the project, the size and type of building(s), business type and use, traffic information (parking capacity, vehicle counts, traffic flow, pedestrian facilities), project timing, and estimated market value.
- ☐ A statement identifying the public benefits of the proposal, including estimated increase in property valuation, and other community benefits.
- ☐ Statement showing the private investment and any public investment dollars for the project
- ☐ Financial information including past performance and pro forma future projections for the project.
- ☒ Application Fee (please see City of Marshall Fee Schedule for current fee amount).
- ☐ Other information as requested.

Return Completed Applications to:

City Clerk
City of Marshall
344 West Main St.
Marshall, MN 56258



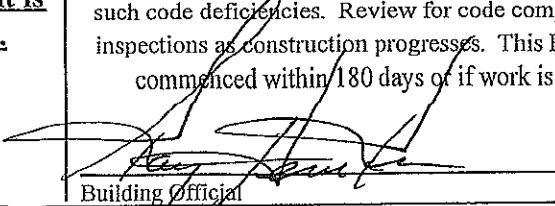
CITY OF MARSHALL
344 WEST MAIN
MARSHALL, MN 56258-1313
(507) 537-6773 FAX: (507) 537-6830



DATE ISSUED: 10/10/2018

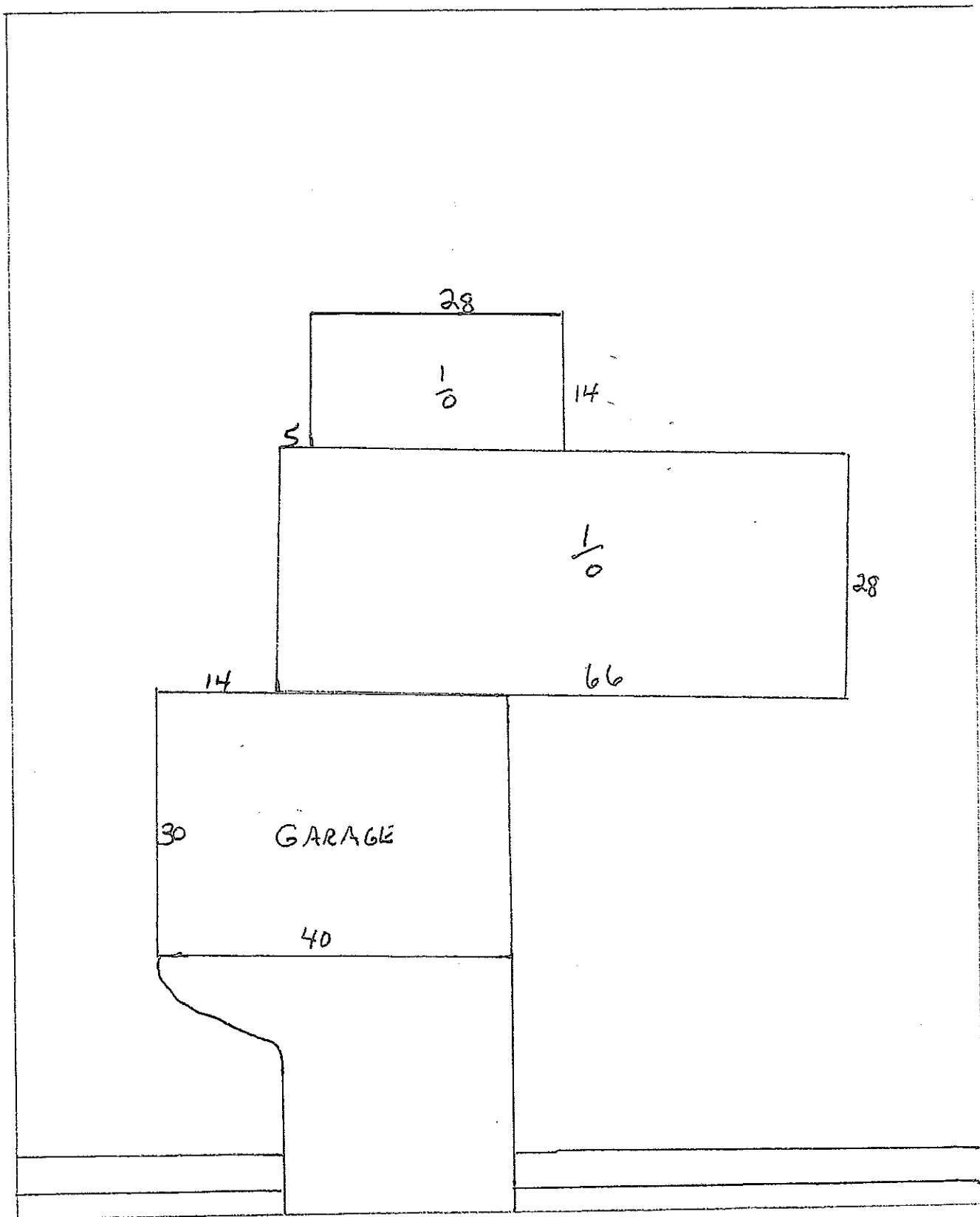
BUILDING PERMIT

PERMIT NUMBER : 2018-00367
ADDRESS : 1103 SLATE ST
PIN : 27-826023-0
LEGAL DESC : STONEBRIDGE ESTATES PLAT
PERMIT TYPE : BUILDING
PROPERTY TYPE : SINGLE FAMILY
CONSTRUCTION TYPE : NEW BUILDING
VALUATION : \$ 90,700.00
NOTE: NEW - DWELLING FOUNDATION AND GARAGE

APPLICANT		PERMIT FEE		764.00
PARSONS, JOHN & IONE		PLAN REVIEW RESIDENTIAL,		267.40
1103 STATE ST		STATE SURCHARGE BLDG VAL		45.50
MARSHALL, MN 56258-0000		TOTAL		1,076.75
OWNER		Payment(s)		
PARSONS, JOHN & IONE		CHECK	5103 1802019	1,076.75
1103 STATE ST				
MARSHALL, MN 56258-0000				
AGREEMENT		PERMIT: In consideration of the statements and representations made in the above application filed with the Office of the City Engineer, Marshall, Minnesota, this Permit is hereby granted to the applicant. This Permit is granted upon the expressed conditions that said owner and his agents, workmen and employees shall comply in all respects with the ordinances and regulations of the City of Marshall and the State of Minnesota. The granting of a permit does not give authority to violate any provisions of State or Local Law regulating building. Not all deficiencies in documents may have been addressed and/or noted and that shall not be construed as an approval of such code deficiencies. Review for code compliance will continue during inspections as construction progresses. This Permit expires if work is not commenced within 180 days or if work is suspended for 180 days.		
All provisions of law and ordinances governing this type of work shall be complied with whether specified herein or not. Separate application must be secured for plumbing work and all electrical work must be inspected by the State Electrical Inspector.				
<u>No work shall begin until the Building Permit is signed and issued by the Building Official.</u>				
		10-10-18		
Building Official		Date		

N

135



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