



MEMORANDUM

TO: Members of Marshall City Council

FROM: Tara Onken, EDA Director
Marcia Loeslie, EDA Assistant Director

DATE: June 6, 2019

SUBJECT: City of Marshall Abatement Policy – Proposed Changes

Action/Recommendation

Staff recommends a motion to accept the proposed updates to the Tax Abatement Policy.

Background

Based upon feedback from City Council and now that we have went through the process of our first granted abatement (Harrison Truck Centers), staff has two recommendations for modifications to the tax abatement policy. The policy was initially adopted by City Council on January 8th, 2019.

The two proposed changes can be found in III. Qualification Standards section A. Minimum Required Standards and are as follows:

The first proposed change is under #2 – remove language of “The developer must demonstrate that the project is not financially feasible “but for” the use of tax abatement.” This is not required by statute. The proposal is to remove this item altogether – as council ultimately votes on the merits of any request that comes forward.

The second proposed change is #4 – to add “may be required” in regard to financial guarantees. So, depending upon the size of the project, financial guarantees, assessment agreements, letters of credit, etc. may be required, but they are not necessary in all cases. This should be a case by case determination.

Fiscal Impact

Not applicable

Alternative Actions

Not applicable.