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Economic Development Plan for Economic Development District No. 1

**Economic Development Authority for the
City of New Prague, MN
Scott and LeSueur County**



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Economic Development Plan for Economic Development District No. 1

STATEMENT OF NEED AND PUBLIC PURPOSE

The Economic Development Authority for the City of New Prague (the “EDA”) finds that there is a need for development within the City of New Prague, Minnesota (the “City”) and the Economic Development District No. 1 (the “Development District”) to provide employment opportunities, to improve the local tax base, to provide public facilities, and to improve the general economy of the City and the State. The sound development of the economic security of the residents of the City depends upon proper development of marginal and other property, which includes property that meets any one of a number of conditions, including without limitation properties whose values are too low to pay for the public services required or rendered and properties whose lack of use or improper or obsolete use has resulted in stagnant or unproductive land that could otherwise contribute to the public health, safety, and welfare.

The EDA finds that certain existing public facilities are outdated or lack adequate space to serve the needs of the City’s population. The Development District will allow the City to encourage commercial development to stimulate future development of the City by providing access to public services and facilities to the citizens of and businesses in the City. Each project will be evaluated, from time to time, by the City and the EDA to determine that it is in the best interest of the health, safety and welfare of the City.

In cooperation with the City or any other development of public or private property, the EDA may construct public projects or facilities that are anticipated to provide a stimulating effect for the development of other parcels in the City. The EDA specifically finds that the Development Plan for Economic Development District No. 1 (the “Development Plan”) will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the City by private enterprise and that the Development Plan shall conform to the general plan for the development of the City as a whole, subject to permitted variances or other exceptions as approved from time to time.

The EDA also finds that the welfare of the City and the State requires active promotion, retention, attraction, encouragement, and development of economically sound industry and commerce through governmental action for the purpose of preventing the emergence of blighted lands and areas of chronic unemployment. It shall also be the policy of the EDA to facilitate and encourage such action as may be necessary to prevent the economic

deterioration of such areas to the point where the process can be reversed only by total redevelopment. Through the use of the powers conferred on the EDA pursuant to *Minnesota Statutes, Sections 469.090 to 469.1082* (the “EDA Act”), promoting economic development may prevent the occurrence of conditions requiring redevelopment and prevent the emergence of blight, marginal land, and substantial and persistent unemployment.

STATUTORY AUTHORITY

Pursuant to the EDA Act, the EDA is authorized to exercise the powers of an economic development authority. It is the intention of the EDA, notwithstanding the enumeration of specific goals and objectives in the Development Plan, that the EDA shall have and enjoy with respect to the Development District the full range of powers and duties conferred upon the EDA pursuant to the EDA Act and such other legal authority as the EDA may have or enjoy from time to time.

The EDA is authorized under the EDA Act to undertake and administer the Development Plan and the Development District, and to finance all legally permissible costs incurred or to be incurred by or on behalf of the EDA in carrying out the Development Plan. These costs include but are not limited to: (a) the costs of any public facilities, public infrastructure and redevelopment activities consistent with the Development Plan as originally adopted or subsequently amended; (b) costs of administering the Development District; and (c) debt service payments on any obligations issued to finance the Development District authorized by the Development Plan (“Public Costs”).

Public Costs of the Development District may be financed through project revenues and, if applicable, the issuance of bonds as necessary and appropriate. Bonds include any tax-exempt or taxable bonds issued by the City or EDA to finance the Public Costs of the Development District, and any obligations issued to refund such bonds.

STATEMENT OF OBJECTIVES

The EDA seeks to accomplish the following general objectives within the Development District:

1. Promote the prompt development and redevelopment of property within the Development District in a manner consistent with the City comprehensive plan, which property is currently less productive because of substandard conditions, incompatible or obsolete uses, lack of adequate community services, or general blight.

2. Promote the development of adequate public facilities necessary to serve the Development District and the City as a whole, including without limitation the development of public facilities to promote development in cooperation with the City.
3. Construct, acquire or finance any public facilities, including sanitary sewer, water, storm drainage and roads, deemed necessary and desirable for the development or redevelopment of the Development District.
4. Assist in development or redevelopment through provision of public services, demolition and relocation, soil and terrain corrections or site improvements, or land acquisition, all in cases deemed appropriate by the EDA.
5. Employ any powers of the EDA under the EDA Act for the benefit of the Development District in such cases and upon such terms as the EDA may deem appropriate.

DEVELOPMENT DISTRICT

The Development District boundaries are coterminous with the boundaries of the City and are illustrated in the attached map.

PROPERTY ACQUISITION

The EDA may acquire such property, or interests therein, as the EDA may deem necessary or desirable to carry out the objectives of the Development Plan. Acquisition may be accomplished by negotiation, lease, purchase, gift, devise, or as otherwise permitted by law. The EDA may hold and dispose of the property in accordance with the EDA Act.

DEVELOPMENT DISTRICT FINANCING

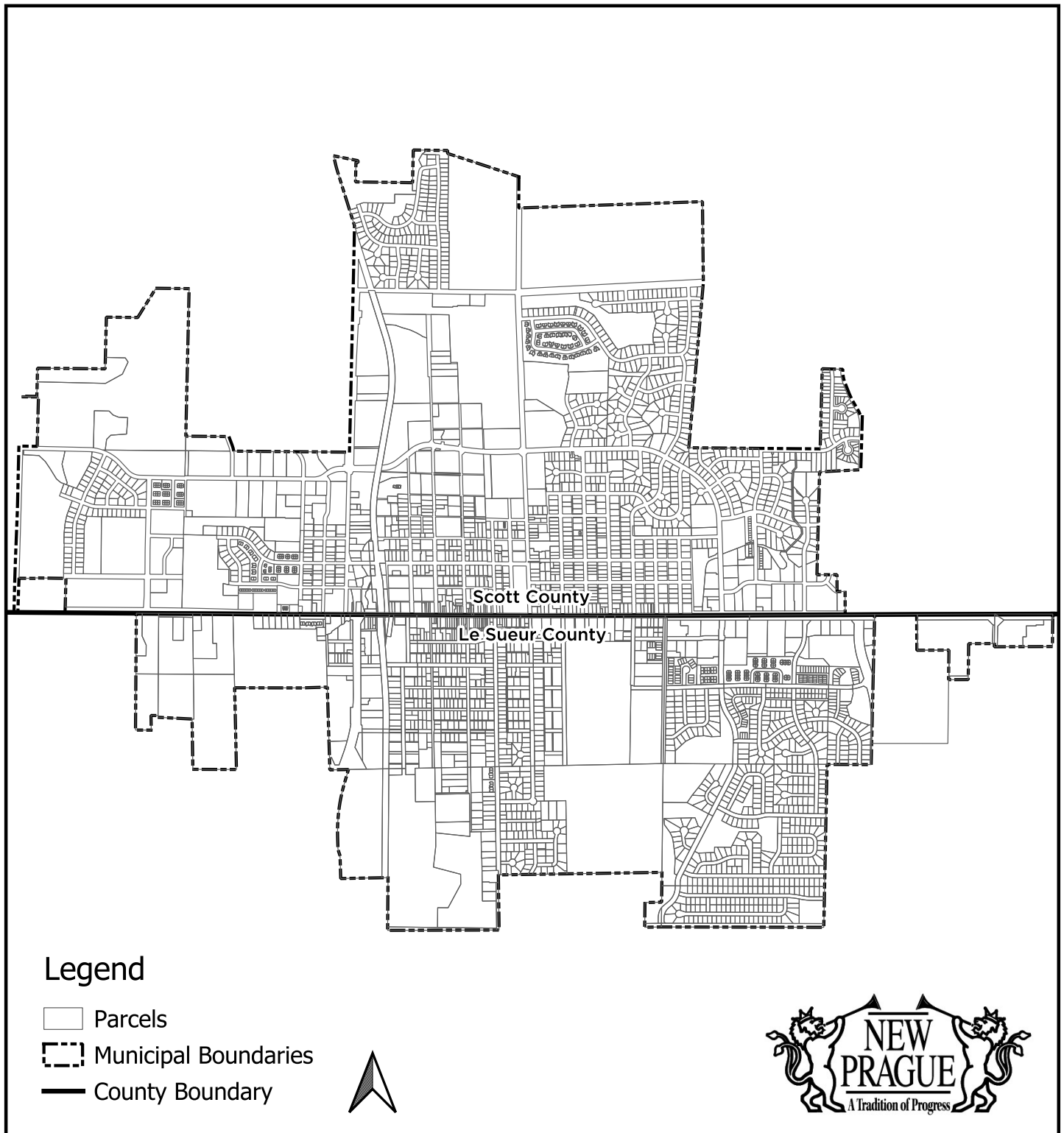
The EDA may use revenues from any source available to it to pay any Public Costs of the Development District. As authorized by law, the EDA may finance certain Public Costs of the Development District related to a project primarily through the issuance of lease revenue obligations in connection with which the EDA may acquire a leasehold interest in the property on which the project will be located, lease such facilities back to the City, and pledge the lease revenues from the City to pay debt service on certain bonds of the EDA.

In addition, as authorized by law, the EDA may finance certain Public Costs of the Development District primarily through the issuance of revenue obligations

secured by one or more other revenues available to the EDA, including without limitation EDA general revenues, specific facility rents and charges, tax increment financing or any other revenues available to the EDA.

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The boundaries of Economic Development District No. 1 are coterminous with the corporate limits of the City of New Prague.