

SPECIAL CITY COUNCIL

August 14, 2017

12:00 Noon

Members Present: Council Members Dale, DeVries, Bajumpaa, Schmidt, Bertsch, Miller, Lambrecht, and Wateland.

Staff Present: Huwe, Miranowski, Bakken, Thorsteinson, Rogahn, Lies, and Amos.

Also Present: Kyle Frier of Wahpeton Apartment Homes II, LLC, and Frank Stanko with the Daily News.

Council called the meeting to order at 12:00 p.m.

Public Hearing – Application for Property Tax Incentives submitted by Wahpeton Apartment

Homes II, LLC ó Kyle Frier has submitted an application for payment in lieu of taxes on behalf of Wahpeton Apartment Homes II, LLC. The project is a 45-plex multi-family building west of the two, 39 unit apartment complexes north of Wal-Mart. Total project cost estimate is \$3.5 million. The Finance Committee reviewed the application on Monday, July 10th. Rick Jacobson, Wahpeton Superintendent of Schools attended the meeting. The City Assessor prepared a five year payment in lieu proposal including 100%, 80%, 60%, 40% and 20% exemptions for the tax years 2019-2023.

Wahpeton Apartment Homes II, LLC								
50-4335-15892-030			45 Unit Apartment					
Address: 19th Ave North Westdale Replat #1 Lot 4 Block 1								
Year of Ex	Est. Value	Est. Mill	PILOT Pmt	Payment	Exempted	Total Amt.	Year	Payable
1	\$3,500,000.00	0.39531	\$ -	\$ -	\$ 69,179	\$ 69,179	2019	12/31/2019
2	\$3,500,000.00	0.40322	\$ 14,115	\$ 14,113	\$ 56,450	\$ 70,563	2020	12/31/2020
3	\$3,500,000.00	0.41128	\$ 28,800	\$ 28,790	\$ 43,184	\$ 71,974	2021	12/31/2021
4	\$3,500,000.00	0.41951	\$ 44,050	\$ 44,048	\$ 29,365	\$ 73,414	2022	12/31/2022
5	\$3,500,000.00	0.42790	\$ 59,900	\$ 59,905	\$ 14,976	\$ 74,882	2023	12/31/2023
			\$ 146,865	\$ 146,856	\$ 213,156	\$ 360,012		
Above example includes a 2% increase in mills each year.								

On July 17, 2017 the Council approved community participation in an interest rate buy down for this project through a BND PACE program specifically targeted to affordable housing projects. The current definition of affordable housing is a formula of the city's current median income X 80% X 30% for the amount considered affordable for housing in an average family budget. This project is compliant with the definition. Council President Dale called for a motion to offer Resolution #3653. Council member Bajumpaa offered the following and moved its adoption:

RESOLUTION NO. 3653
**RESOLUTION APPROVING PAYMENTS IN LIEU OF
AD VALOREM TAXES ON BUILDINGS, STRUCTURES,
FIXTURES AND IMPROVEMENTS WAHPETON APT. HOMES II, LLC**

The motion for the adoption of the foregoing Resolution was duly seconded by Councilmember DeVries. Motion carried with a roll call vote 8-0. Council President Dale said the Public Hearing concluded at 12:07 p.m. [Kyle Frier exit]

2018 Preliminary Budget Discussion

The City of Wahpeton 2018 Preliminary Budget was reviewed as presented by Finance Director Huwe.
(See booklet) Discussion held.

Motion by Wateland, seconded by Bertsch and carried, to adjourn at 1:00 p.m.

ATTEST

Steve Dale, City Council President

Lynelle Amos, Finance Assistant