

**City of Oronoco**  
**PUBLIC HEARING**  
Monday, September 19, 2005  
7:00PM

**This Public Hearing concerns authorizing a tax abatement on property within the City of Oronoco for the purpose of financing public infrastructure.**

**Mayor Joy Bertsinger called the Public Hearing to order at 7:01PM.**

**Present: Joy Bertsinger, Jackie Hall, Scott Keigley, Kevin McDermott, Tom Novak, Clerk Nymann, Lynn Benrud, and Jake Deguise.**

Mike Bubany, David Drown Associates, stated the purpose of this public hearing is to authorize tax abatement to pay for the overpass at the intersection of County 12/Hwy. 52 in the City Limits. Tax abatement is being used because the city is entering a loan agreement with the State of Minnesota to pay for the project. The project is estimated at \$320,000 spread over 10 years of taxes. Also, all citizens are paying for the overpass through taxes. Mr. Bubany discussed the documents before Council:

- 1<sup>st</sup> page explains project and what is being done. Section 6 states that tax abatements will pay for the principal amounts of borrowing and interest rates. Abatements will be at \$35,000 beginning in 2007.
- Exhibit 2 lists parcels in questions. People on list won't see anything different on their tax statements. Clerk Nymann verified that these parcels were notified by City Hall on the tax abatement.
- Exhibit 3 is projected cash flow of the project. Tax levy covers the interest, abatement covers the principal.

Public Input:

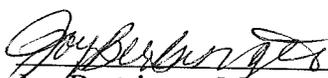
**Jake Deguise** asked why was this area was specifically selected for the tax abatement, and stated that these are not the only properties that are benefiting. Bertsinger stated that Council looked at the overpass and there was a concern with the frontage road being cut off from West Center Street south. They didn't want these residents to travel miles out of there way to gain access to the east side. Mr. Bubany stated that area was narrowed down to get a bond attorneys opinion on the project because a City wide abatement is too broad of an argument for bond council. The abatement is actually applied to every parcel in the city, so, everyone will be paying for it. In practice, Olmsted County does not take the abatement in specific parcels; it's over the entire city. Mr. Deguise asked how the west frontage road (south of Tilly's to Co. 112 will be handled. Bertsinger replied stating that throughout the entire process Council insisted that MnDOT should pay for the west frontage road. However, the City will have to be paying for it. Council determined there is a need for this frontage road, but have not discussed the financing for it. Mr. Deguise stated that he thinks spending is already out of hand and that taxes have been increased recently and he's not getting a good return on dollars. It was clarified that the City's tax dollar amount has stayed level through the previous years; however the County's taxes have increased. New homes coming in gives the city an additional tax base. Oronoco's current tax rate is at 37%. Levies have remained constant; Olmsted County came out and increased valuation of tax

**Lynn Benrud** She questioned the frontage road from Tilly's to Co Rd. 12. Bertsinger stated that the financials on this haven't been determined yet. This topic is on the regular meeting agenda tonight, but cannot be done through the public hearing.

**JB called 3 times for any other questions concerning for the tax abatement issue.**

**Bertsinger motioned to adjourn the Public Hearing at 7:25 PM, Hall second; all in favor, motion carried.**

Respectfully Submitted:

  
Joy Bertsinger, Mayor

  
Cheryl Nymann, Clerk/Treasurer