



Legislation Text

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City Council Meeting Date: September 4, 2018

To: Mayor and City Council
City Administrator

From: Nate Carlson, Economic Development Coordinator
Chris Heineman, Community Development Director
Mikaela Huot, Vice President, Springsted Incorporated

Public Hearing on Business Subsidy and Tax Increment Financing for Strobel & Werner Real Estate Holding Company, LLC.

Action Requested:

The Northfield City Council is asked to conduct a Public Hearing on Business Subsidy and Tax Increment Financing for Strobel & Werner Real Estate Holding Company, LLC.

Summary Report:

Strobel and Werner Real Estate Holding Company, LLC (dba Aurora Pharmaceutical) is requesting Tax Increment Financing (TIF) incentives from the City of Northfield to assist with a major planned expansion of the current facility. Dr. Michael Strobel and Dr. Mark Werner (owners) have submitted an application for an Economic Development TIF District.

The proposed pay-as-you-go TIF District requires the developer to pay all development costs with their own funds. As the net tax capacity within the taxing district increases, the increase in property taxes paid by the developer (tax increment) can be used to reimburse the developer for eligible costs such as land acquisition, site preparation, and public infrastructure.

Following the Public Hearing, the City Council will be asked to consider approving Resolutions for Business Subsidy and Tax Increment Financing and a Development Agreement.

Alternative Options:

The Public Hearing has been properly noticed in the Northfield News on August 22, and staff recommends conducting the hearing as published.

Financial Impacts:

The proposed Tax Increment has a projected revenue value of \$231,809. All incentives paid to the developer will be from the property taxes paid by the developer (tax increment) and there is no direct financial impact to the City of Northfield.

Tentative Timelines:

If approved, the developer plans to move forward with land acquisition and preliminary site work in the fall of

2018 followed by construction in 2019.