

COMMUNITY LINK

MARCH 2008

CITY OF
CHATFIELD

TAX ABATEMENT..... HOW DOES IT FIT IN?????

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One thing that has been clear about the expansion of the community to the east,

right from the start, is that the first step will be the toughest.....it always is. Just like it was tough (expensive) to expand our city to the west of Mill Creek, so too, is it expensive to take that first step east, primarily because of the elevation differences between the development property and the rest of the town.

When the City took its first step west, across Mill Creek, that step was made possible because of a development that was significant enough to be able to carry the costs of the infrastructure that was needed. That development required a long expanse of water and sewer pipes, along with a lift station, all of which represented costs that were not feasible for the development to bear over the long term. To answer those needs, the City established a Tax Increment Financing (TIF) program that would use future tax revenues from the

County, School District and City to reimburse the developer for those costs that posed such a problem. That one deal, which utilized future resources from the three local governments to solve the problems of taking that first step, paved the way for everything that is now west of Mill Creek, north of Division Street. In other words, without that initial project, and without the assistance of the County, School District and City, there would be no Mill Pond Townhomes, no Orchard Ridge Townhomes, no Pope & Young Club, no Learn & Play Day-Care and no Wright Townhomes. That first step is always tough but it can be worthwhile.

When it comes to the development of Hilltop Estates and the Elementary School, the dynamics are incredibly similar to when the City moved west, as described above. While the step west involved 2000–3000 feet of water and sewer pipe, this step east will require 1500 feet of water and sewer pipe to get to the development and another expanse of sewer pipe to get to the northerly reaches of the development property. While the step west required the construction of a lift station to assist getting the sewer under the Creek, the step east requires a

booster station to pump culinary water up the hill. While the step west eventually required the upgrade of 1000 feet of roadway, the step east requires the construction of 1500 feet of new roadway, and so forth.

While the step west required the use of Tax Increment Financing, which utilized future tax revenues of the County, School District and City to assist with those costs that are unusually burdensome, the step east requires the use of Tax Abatement, which also utilizes future tax revenues of the County, School District and City to help with the costs of its first step. And, just as that first step west spawned many opportunities for Chatfield area residents, so too, will this first step east.

Tax Abatement, just like its first cousin, Tax Increment, are both tools which are used to facilitate the continued growth of the community. Neither of these financing tools are designed to create wealth for any individuals who participate in these developments nor are they tools that present a burden to any governments who participate. Rather, these are financing tools
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CITY OF CHATFIELD

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Phone: 507-867-3810

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21 Second Street SE

Chatfield, MN 55923

In Case of Emergency:

9-1-1

Ambulance (Non Emergency)

507-867-4446

Police (Non Emergency)

507-867-3331

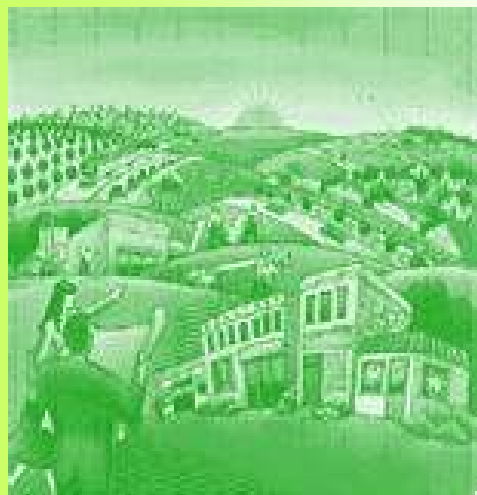
Chatfield Public Library

507-867-3480

TAX ABATEMENT—CONTINUED

that more fairly distribute the sometimes burdensome costs of growth. These are tools that contribute to what development projects are all about, which is the expansion of services, the opening of opportunity, to the residents of the community.

For more information, contact Ron Zeigler or Joel Young at 507-867-3810 or rzeigler@ci.chatfield.mn.us or jyoung@ci.chatfield.mn.us.



Tax Abatement

Is a financing tool that utilizes future tax revenues of the County, School District and City to facilitate growth of the community.

MARCH 2008

- Mon Mar 3rd- Planning & Zoning 7:00 pm
- Mon Mar 10th- City Council 7:00 pm
- Wed Mar 12th-Cable Television Board 7:00 am
- Mon Mar 17th— Heritage Preservation Commission 7:00 pm
- Mon Mar 24th- City Council 7:00 pm
- Thu Mar 27th—Economic Development Authority 5:00 pm

CITY OFFICIALS

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EXPO 2008 SATURDAY, MARCH 22

The Chatfield Commercial Club Presents

Experience the Chosen Valley “2008”

Saturday, March 22, 2008

Breakfast available from 8:00-10:30AM
Presented by Wits End Theater in costume

Concessions available 10:00am to 2:00pm

Easter Egg Hunt 10:00AM

1 to 3 year olds 10:00am

4 to 6 year olds 10:15am

7 to 10 year olds 10:30am

Expo from 10:00AM – 2:00PM
Chatfield High School Gym

**Have your child's picture taken
with the Easter Bunny from 11:00 to 2:00PM**

Admission & Parking Are Free

1 non perishable food donation will register
you for one of three great give-a-ways!

11:00AM Seminar
Sponsored by Hillside Nursery

12:00PM Presentation
Growth of Chatfield & Community Impact

1:00PM Seminar
Sponsored by Hillside Nursery

**Prizes through out the day
with the
Grand Prize drawing at 2:00PM**

If you have questions or would like to have a
booth please contact Kris at

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