

City of Springfield – Housing Development Initiative Program

Intent

The purpose of the Springfield Housing Development Initiative Program is to provide incentives within the City of Springfield to encourage the construction of new owner occupied and rental residential housing units, encourage replacement of dilapidated housing structures, and increase future tax revenues in the City of Springfield.

Tax Abatement Availability

Minnesota Statutes Section 469.1813 gives authority to Minnesota cities to grant an abatement of taxes imposed by the City if certain criteria are met. Minnesota Statute 469.1813 Subdivision 8 places limitations on Tax abatement.

Eligible Participants

Any person who constructs a new single family home, duplex, or multi-family complex and who files application material and seeks formal approval from the city council between March 1st, 2020 and December 31st, 2022 may be eligible to receive 50% tax abatement of the cities real estate taxes as a result of building newly constructed housing for a period of five years provided all of the following are met:

- Property is located within the City of Springfield and zoned properly for the proposed development project.
- The applicant shall not have received other local financial assistance (Tax increment financing, Workforce Housing, Small Cities Development Program, etc.)
- Property taxes are current and paid on time and in full.
- Program approvals must be obtained prior to the start of construction of the new housing development.

Program Details

- Real estate taxes collected for the value of the land or any current additional structures value are not eligible for tax abatement and will not be abated as part of this program.
- This abatement will transfer with the sale of the property for the balance of the five years abatement period.
- This abatement does not apply to, or include, existing and/or new assessments to the property.
- The City shall provide the awarded abatement payment following payment of due real estate taxes annually.
- One single payment shall be made to the owner of record at the time of the payment, by December 30th for that calendar year.

Application

A complete application for abatement shall contain the following:

- A Letter requesting abatement for eligible projects addressed to the City Manager/EDA Director at 2 East Central Street, Springfield, MN 56087
- Legal Description of the subject property, including address and property identification number.
- A site plan and construction plan for the proposed project.
- Submit a copy of the building permit once received.

Review Process

- The applicant will be responsible for paying for the public hearing notices when the application is submitted.

- Applications are to be submitted to the Springfield Economic Development Authority (EDA), 2 East Central Street, Springfield, MN 56087. Upon receipt of a completed application, Springfield EDA will consider the application at their next regularly scheduled monthly meeting.
- The EDA will provide a recommendation to the City Council at their next regularly scheduled monthly meeting. At that meeting, Council will schedule a public hearing to consider the abatement. Notice of the hearing must be published at least once more than ten days but less than 30 days before the hearing.
- Upon final consideration by the City Council at the public hearing, the council will authorize staff to enter into a tax abatement agreement with the developer/builder/owner.
- The abatement period will commence with receipt of the Certificate of Occupancy, or not more than one year following approval of the Cities taxing authority resolution, whichever is first, and shall continue for five years.

Application Questions - Contact:

Joe Stremcha, City Manager/EDA Director
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Springfield, MN 56087
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