

**JOINT CITY COUNCIL, LAKE COUNTY BOARD OF COMMISSIONERS, LAKE
SUPERIOR SCHOOL DISTRICT NO. 381
PUBLIC HEARING
WILLIAM KELLEY HIGH SCHOOL LIBRARY**

7:00 P.M.

Monday, April 8, 2024

Present: Mayor Wade LeBlanc
Ben Bautch
Dustin Goutermont

Absent: Shane Hoff
Richard DeRosier

David Drown, EDA Director
Rich Sve, Lake County Commissioner
Joe Baltich, Lake County Commissioner
Matt Huddleston, Lake County Administrator
Ronni Radle, Lake Co Auditor
David Moore
Marcia Oates

Mayor LeBlanc called the Silver Bay City Council public hearing to order at 7:06 p.m.

Commissioner Rich Sve called the Lake County Board of Commissioners public hearing to order at 7:06 p.m.

There were no representatives from the Lake Superior School District No. 381

David Drown provided a brief history regarding Silver Bay New Housing Incentive Program that would provide a 10% cash grant for new housing construction and an extra 5% incentive for properties that are homesteaded for a period of time. Repayment of the subsidy would be paid by tax abatement with Lake County and Lake Superior School District. Six formal applications were received with two following thru and building new homes. The city paid \$30,540 for the new home on Marks Drive and \$93,199.35 for a new home built on Mount Rockwood Road, plus legal and recording fees for a total cost of the program cost of \$124,783.85. By using tax abatement from Lake County (\$3600), Lake Superior School District (\$900), and property taxes (\$7,000) on new properties there will be payment of approximately \$12,000 per year to reimburse these costs. A public hearing and each board must formally approve the abatement.

Mayor LeBlanc called for public comments.

Marcia Oates confirmed that only two homes participated in program.

David Drown explained that the program was a one-year opportunity and has not been renewed.

David Moore asked why program was only a one-year program.

Mayor LeBlanc stated it was a pilot project to try incentivize new construction housing in Silver Bay and that the program may be revisited in the future. It was noted that the owners did have children in our school and it opened older homes for sale.

Commissioner Sve asked if old homes had been sold, which they have.

Council Member Bautch asked if the residents property taxes would go up to help cover the subsidy payments.

David Drown said that the repayments come from new tax revenue generated by the new homes and after ten years they will be on the tax rolls.

Matt Huddleston questioned how the payments were made. David Drown explained payments were made thru the city funds. Discussion followed regarding how subsidy would be paid if there were many homes built, borrowing money, and/or bonding.

David Moore asked what happens if the homes are sold. David Drown explained that if the new home sells prior to ten-year homestead requirement, 5% would be owed to the city.

Council Member Bautch asked if there could be a program created to encourage buying of homes in need of repair. Drown stated that there could be a possibility of a similar program.

Commissioner Baltich clarified that there aren't extra taxes being paid, homeowners are paying normal property tax. The difference is where the property tax goes; tax goes to pay subsidy and not the general populous.

Mayor LeBlanc called again for any public comments. There were no further comments.

Mayor LeBlanc called for a final time any other comments. Hearing none he moved to close the Public Hearing.

Motion by Goutermont, second Bautch to adjourn the public hearing at 7:25 p.m. MOTION CARRIED.

Commissioner Sve moved to close Lake County public hearing at 7:25 p.m.

Minutes taken by Lisa Christenson

Wade LeBlanc, Mayor

Attest:

Lana Fralich, City Administrator