



February 20, 2024

U.S. Department of the Interior
Bureau of Indian Affairs
Midwest Regional Office, Norman Pointe II
5600 West American Blvd., Suite 500
Bloomington, MN 55437

**Re: Notice of (Non-Gaming) Land Acquisition Application (Inkpata) by the
Shakopee Mdewakanton Sioux Community Dated January 4, 2024, and
located in Scott County, Minnesota**

In response to the Bureau of Indian Affairs' (BIA) letter of January 4, 2024, the City of Shakopee, Minnesota (City) hereby provides comment regarding the Shakopee Mdewakanton Sioux Community's (SMSC) application to have the below listed parcels accepted "in trust" by the United States of America:

- Parcel 279200070, 2421 County Road 42 E (113.84 acres)
- Parcel 279300044, 1127 Vista Ridge Lane (19.24 acres)
- Parcel 279290101, 3421 Marschall Road (0.74 acres)
- Parcel 270510011, 3247 Marschall Road (1.86 acres)
- Parcel 259210030, 13700 Mystic Lake Drive NW (5.84 acres)
- Parcel 259210090, Mystic Lake Drive NW (39.54 acres)
- Parcel 279210040, 2499 Mystic Lake Drive NW (10.24 acres)
- Parcel 279190102, 2750 Hohenstein Ct (16.71 acres)
- Parcel 279300043, 3364 Marschall Road (126.54 acres)
- Parcel 279300050, 3364 Marschall Road (1.56 acres)
- Parcel 279200120, 1785 County Road 42 E (37.7 acres)
- Parcel 259210012, 13888 Mystic Lake Dr NW (7.12 acres)
- Parcel 259210010, 13888 Mystic Lake Dr NW (8.76 acres)
- Parcel 259210011, County Road 42 (14.34 acres)
- Parcel 279200120, 1785 County Road 42 E (37.70 acres)
- Parcel 279200080, 2988 Valley View Road (35.59 acres)
- Parcel 259210070, 13901 Mystic Lake Dr NW (103.37 acres)
- Parcel 279290070, Marschall Road S (46.06 acres)
- Parcel 279200111, 2585 Hohenstein Ct (10.01 acres)
- Parcel 271750140, 2585 Hohenstein Ct (0.43 acres)
- Parcel 279300045, Marcia Ln S (43.69 acres)
- Parcel 279290091, Marschall Road S (0.22 acres)

The City of Shakopee provides the following requested information with respect to the parcels in question:

1. If known, the annual amount of property taxes currently levied on the subject property allocated to your organization:

The 2023 taxes allocated to the City of Shakopee are in total \$103,000.54 as outlined below.

- Parcel 279200070 - \$15,995.06
- Parcel 279300044 - \$6,796.94
- Parcel 279290101 - \$649.74
- Parcel 270510011 - \$720.34
- Parcel 259210030 - \$705.98
- Parcel 259210090 - \$3,751.42
- Parcel 279210040 - \$2,269.94
- Parcel 279190102 - \$2,265.08
- Parcel 279300043 - \$29,448.00
- Parcel 279300050 - \$195.24
- Parcel 279200120 - \$4,908.64
- Parcel 259210012 - \$1,167.26
- Parcel 259210010 - \$862.92
- Parcel 259210011 - \$1,888.40
- Parcel 279200120 - \$4,908.64
- Parcel 279200080 - \$4,098.84
- Parcel 259210070 - \$11,236.84
- Parcel 279290070 - \$4,216.88
- Parcel 279200111 - \$1,196.20
- Parcel 27175014 - \$18.02
- Parcel 279300045 - \$5,699.30
- Parcel 279290091 - \$0.86

2. Any special assessments, and amounts thereof, that are currently assessed against the property in support of your organizations:

- None.

3. Any governmental services that are currently provided to the property by your organization:

- None, but the City of Shakopee would provide police and fire services as needed.

4. If subject to zoning, how the intended use is consistent or inconsistent with the zoning:

- The proposed use is consistent with current City zoning.

Previously, the BIA has stated in regard to placing land in trust that, *“Simply removing a property from the tax rolls does not automatically increase the millage rate on other properties within the taxing jurisdiction; action is required by the local government. The burden of demonstrating an adverse financial impact lies with the local government.”* [Thurston County, Nebraska v. Great Plains Regional Director, BIA, 56 IBIA 296 at 312 (2013)]. However, this

response is not appropriate to applications within Minnesota; as Minnesota does not have a millage rate system.

Removal of this property from the tax rolls will have **an automatic impact** upon Shakopee taxpayers for the following reasons:

1. Minnesota has a unique property taxing system. Property taxes are calculated based upon the total tax capacity within the taxing jurisdiction – **not through a legislatively established millage rate.**
2. The property tax rate is calculated by dividing the dollar amount levied by the total tax capacity.
3. The tax capacity is established via the taxable market value.
4. Under Minnesota's property tax system action **is not** required by the local government; simply removing the properties from the tax rolls **will automatically spread the tax burden to the other taxpayers within the City;** by reducing the taxable market value and tax capacity; thereby increasing the tax rate calculation.

Since 2000, the BIA has added 2,499.72 acres into trust on behalf of the SMSC in Scott County. This application seeks another 815 acres. This particular proposed addition is more than the total 760.33 acres the SMSC had held in trust in 2000. The impact upon our residents is real; they have to pay more taxes to fill in the gaps made by property removed from tax rolls through this process.

If you require any additional information, please do not hesitate to contact me.

Sincerely,

William H. Reynolds
City Administrator

cc:
Chairman Cole Miller
Shakopee Mdewakanton Sioux Community
2330 Sioux Trail NW
Prior Lake, MN 55372

Chair Barb Weckman Brekke
Scott County Board
200 Fourth Ave W
Shakopee, MN 55379