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TO: Goodhue County Board of Commissioners
Scott Arenson, Goodhue County Administrator

FROM: Stephen F. O'Keefe, Goodhue County Attorney
Carol K. Lee, Assistant County Attorney

DATE: October 1, 2026

RE: Update on Minnesota Tax Cases in Goodhue County

We are here to update the Board and staff about the status of Minnesota Tax Court cases in general and for the work we have been doing in 2026 in particular.

We have enclosed a list of Tax Court cases going back to 2022.

A Tax Court case is commenced when the Petitioner, generally the landowner, files a Petition with the Tax Court in St. Paul. It is also filed locally in our District Court. There are generally two grounds for a Tax Court Petition. The most common is a valuation issue. The least common is a tax exemption issue, but these cases involve a lot of staff time.

After the Petition is filed, the Tax Court will send out a scheduling order which lists the due dates for a number of items, including discovery for the case, due dates for motions, due dates for briefs and the prospective trial date.

A question has been asked about timelines. This would depend somewhat on the complexity of the case and whether the Petition was filed for one tax year or two. Most cases are concluded within 1-1 ½ years.

The Petition is based on a particular tax assessment year. For instance, if the Petitioner filed for the assessment of January 2, 2026, the tax year payable would be 2027.

A number of years ago, the Tax Court required that any “opinion” testimony on value be given by a licensed appraiser. Our staff is allowed to testify about our assessment process.

After the Petition is filed, the Assessor’s staff has worked with the Petitioners to see if the case can be settled. Our office has met with the Assessor on a regular basis on this issue as well, as to determine what discovery issues need to be covered in Interrogatories to the Petitioner. Most of our cases are settled and then our office prepares a Stipulation and Order to be signed by the parties and the Tax Court.

There are some cases that settle very late and some that do not settle at all. For instance, we went to a summary judgment motion on Under the Rainbow Early Childhood Education several years ago. This was an exemption case. We prevailed at the Tax Court and did not prevail with the Supreme Court.

This year we have two cases that are quite active. They are DB Industries LLC and 3M Company and the Mayo Clinic facilities in Red Wing and Cannon Falls. We have done discovery on these cases. We have made attempts to settle the cases which are still pending. DB Industries is a value case and Mayo Clinic is an exemption case. The DB case is set for trial this year and the Mayo Clinic cases will likely be set for trial in the Spring of 2027.

In regard to the Mayo Clinic case, we did reach out to the City of Red Wing some time ago to Mr. Hallock.

2022 Tax Court Cases:

- 1) Associated Bank N.A.
- 2) Walmart, Inc. (#3534)
- 3) Associated Bank
- 4) Menard, Inc. (Store #3199)
- 5) Erickson's Diversified Corp.
- 6) U Save Foods, Inc.
- 7) Under the Rainbow Early Childhood Education
- 8) Merchants Bank (Red Wing)
- 9) Merchants Bank (Cannon Falls)

2023 Tax Court Cases:

- 1) Red Wing Development LLC
- 2) Walmart, Inc. (#3534)
- 3) Americold Realty Trust
- 4) DB Industries Inc. c/o 3M Company
- 5) Fairview Woods LLC

2024 Tax Court Cases:

- 1) Fairview Woods LLC
- 2) Bride Run Townhomes LLC
- 3) Keller-Baartman Properties I, LLC
- 4) Keller-Baartman Properties V, LLC
- 5) Bluffs of Red Wing, Darlene Cook
- 6) Minnesota Energy Resources Corp (Multi jurisdictions)
- 7) Dakota Electric Association (Multi jurisdictions)

2025 Tax Court Cases:

- 1) Keller-Baartman Properties V, LLC
- 2) Keller-Baartman Properties I, LLC
- 3) Marc Huneke
- 4) Irene R. Lambert, Trustee of the Carl G. Flynn Irrevocable Trust
- 5) Mayo Clinic Health System-SE MN Region (Cannon Falls)
- 6) Mayo Clinic Health System-SE MN Region (Red Wing)
- 7) Associated Bank

2025 Tax Court Cases Continued

- 8) Erickson's Diversified Corp. (Pay 2025)
- 9) Wells Fargo Bank, N.A.
- 10) Walmart, Inc. (#3534)
- 11) DB Industries LLC & 3M Company
- 12) DB Industries LLC & 3M Company
- 13) Walgreens Co 12404
- 14) Franchise Associates, LLC
- 15) Cannon Falls AL Realty LLC
- 16) Red Wing Investments LLC
- 17) Erickson's Diversified Corp. (Pay 2026)

2026 Tax Court Cases:

- 1) Associated Bank
- 2) Walgreens Co. #12404
- 3) Cedarwave Loan Servicing, LLC
- 4) Franchise Associates, LLC
- 5) Walmart Inc. (#3534)
- 6) Highway Signage LLC
- 7) DB Industries LLC & 3M Company
- 8) Target corporation
- 9) Mayo Clinic Health Systems-SE MN Region (Red Wing)
- 10) Mayo Clinic health Systems-SE MN Region (Cannon Falls)
- 11) Cannon Falls AL Realty LLC
- 12) Fultonbsh RWMN I LLC
- 13) Midwest Fabrication Real Estate, LLC
- 14) Americold Real Estate, L.P.
- 15) Wells Fargo Bank, N.A.
- 16) Early Childhood Academy Red Wing LLC
- 17) Franchise Associates, LLC