



GOODHUE COUNTY MINNESOTA

TO EFFECTIVELY PROMOTE THE SAFETY, HEALTH, AND WELL-BEING OF OUR RESIDENTS

Economic Development Authority

County Board Room 308- 509 West 5th St.
Red Wing, MN 55066

Tuesday, April 17, 2018
8:00 a.m.

1. Call To Order
2. Review & Approve The Previous Board Meeting Minutes
Documents:
[3.06.PDF](#)
3. Review & Approve The EDA Board Meeting Agenda
4. Zumbrota Veterinary Properties, LLC Tax Abatement Application
Documents:
[ZUMBROTA VET BINDER.PDF](#)
5. Zumbrota Sales, LLC Tax Abatement Application
Documents:
[ZUMBROTA SALES BINDER.PDF](#)
6. Cannon River Winery Tax Abatement Application
Documents:
[CANNON WINERY BINDER.PDF](#)
7. County-Wide Housing Study
Documents:
[GOODHUE COUNTY - MEMORANDUM FOR COUNTY-WIDE HOUSING STUDY - 4.2018.PDF](#)
8. Adjourn



**GOODHUE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY**

Tuesday, March 6, 2018- 4:00 p.m.

Goodhue County Board Room

Red Wing, MN 55066

Present: Commissioners: Brad Anderson, Ron Allen, Jason Majerus, Barney Nesseth, Paul Drotos

Other members: Dan King. Gary Schmidgall was absent.

County Administrator Arneson called for nominations for 2018 Economic Development Authority Board Chairman.

C/Anderson nominated C/Drotos as Chair. Administrator Arneson asked three times for any other nominations. There were no other nominations.

Motion passed unanimously naming C/Drotos the 2018 Chairman of the Economic Development Authority.

C/Drotos called for nominations for the 2018 Vice Chairman for the Economic Development Authority.

C/Allen nominated C/Nesseth as Vice Chair. Second by C/Anderson. C/Drotos asked for any other nominations. There were no other nominations.

Motion passed unanimously naming C/Nesseth the 2018 Vice Chairman of the Economic Development Authority.

C/Drotos called for a motion to appoint members of the County Board to the board of the EDA.

Moved by C/Anderson, seconded by C/Majerus, and carried to approve to appoint members of the County Board to the Board of Economic Development Authority.

C/Drotos called for a motion to appoint the Finance Director as the Treasurer of the EDA.

Moved by C/Majerus, seconded by C/Anderson, and carried to approve to appoint the Finance Director as the Treasurer of the Economic Development Authority.

C/Drotos called for a motion to appoint the County Attorney as the Attorney of the Economic Development Authority.

Moved by C/Anderson, seconded by C/Majerus, and carried to approve to appoint the County Attorney as the Attorney of the Economic Development Authority.

Moved by C/Anderson, seconded by C/Allen, carried to approve the EDA Board Agenda.

Moved by C/Majerus, seconded by C/Anderson, and carried to approve the November 7, 2017 EDA board minutes.

Lake City EDA 2017 Annual Report

Lisa Babington with the Lake City Economic Development Authority reviewed the 2017 Lake City EDA annual report with the board.

Red Wing HRA 2017 Annual Report

Randall Hemmerlin, executive director for the Red Wing HRA reviewed the 2017 HRA activities report with the board.

Opportunity Zones Resolution of Support. The Minnesota Department of Employment and Economic Development has confirmed the eligibility of three census tracts located within Goodhue County and one tract located in Wabasha County. Staff representing each of the areas has met and determined rankings for the eligible tracts. Staff recommends the EDA Board and the County Board approve the following three eligible census tracts ranked highest to lowest priority for Opportunity Zones in the City of Red Wing, Goodhue County: 1. Tract 802 2. Tract 801.01 3. Tract 801.02 In addition, staff recommends working cooperatively with Wabasha County on their respective applications for Opportunity Zones.

Moved by C/Allen, seconded by C/Anderson, and carried to approve the following three eligible census tracts ranked highest to lowest priority for Opportunity Zones in the City of Red Wing, Goodhue County:

- 1. Tract 802*
- 2. Tract 801.01*
- 3. Tract 801.02*

In addition, staff recommends working cooperatively with Wabasha County on their respective applications for Opportunity Zones.

Moved by C/Anderson, seconded by C/King, carried to approve adjourn the March 6, 2018 EDA Board Meeting.

Respectfully Submitted,
Scott Arneson
Executive Secretary



Goodhue County Economic Development Authority

Goodhue County Government Center
509 W. 5th St.
Red Wing, MN



Staff: Phone: Ron Zeigler – 651-764-4342
Email: ron.zeigler@cedausa.com

April 12, 2018

To: Goodhue County EDA Commissioners & Staff
From: Ron Zeigler, CEDA
RE: Zumbrota Vet Clinic Tax Abatement Application

Background:

The Zumbrota Vet Clinic submitted a tax abatement application in 2016 that was approved after a public hearing by the Goodhue County Commissioners on 7/1/2016. The amount of dollars that was approved was \$35,000 to be matched by the City of Zumbrota also doing a tax abatement for that same amount. The dollars were going to be up fronted by the City of Zumbrota to help with the equity requirement of the bank and the abatement would be paid to the City of Zumbrota to pay off the up fronted dollars. The total project cost at that time was \$733,900. The Resolution at that time included a provision for 2 FTE new positions over the next 15 years with a minimum of \$15/hour wages and 1 vet with an annual salary of \$85,000. The project was put on hold. The new application is requesting the same dollar amount to be utilized in the same manner and is for \$5,000 per year for seven years. The application shows a projected project cost of \$915,000 with jobs projected at 1-3 at \$15/hour and 1 vet at \$60 per hour. It also shows that the owner of the new facility will be Zumbrota Veterinary Properties, LLC - 50% owned by Daniel Nietz, DVM and 50% by Michael Strecker, DVM. The new partner is part of the expanded employment numbers listed. The current building will be sold after the new building is ready for occupancy. In 2016, the applicant did pay the \$1,000 application fee. They were not charged again for the 2018 application submittal.

Recommendation:

The EDA subcommittee did meet on two occasions to review this application. The subcommittee reviewed the documentation and recommended this application be forwarded to the EDA Board for its review.

Action required:

- Upon review and discussion, the Board will need to determine if this application meets with the requirements of the policy and is worthy of the Abatement

incentive. If so, the Board will need to approve a motion recommending the Goodhue County Commissioners move forward with the application by setting a public hearing for their next scheduled meeting. The Board could also table the application and request additional information or the Board could determine that it does not wish to move forward with the application.

Please feel free to forward any questions that you may have so that we can provide the answers to you.

APPLICATION FOR TAX REBATE FINANCING

APPLICANT INFORMATION

Name of Corporation/Partnership ZUMBROTA VETERINARY PROPERTIES, LLC
Address 1412 NORTHSTAR DR. ZUMBROTA, MN 55992
Primary Contact DAW NIETZ, DVM
Address SAME
Phone (507) 273-0321 Fax (507) 732-5714 Email dnietz@zumbrotavet.com

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. Attach as **Exhibit A**.
- Brief description of the proposed project. Attach as **Exhibit B**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. (both current and planned owners in the project) **Attach as Exhibit C**.
- A *but-for* analysis and narrative. **Attach as Exhibit D**.

Attorney Name MATT ROCKE
Address 385 MAIN STREET PO BOX 7 ZUMBROTA, MN 55992
Phone (507) 722-5191 Fax (507) 732-7846 Email rocknelaw@hcinet.net

Accountant Name PAGE ZIMMERMAN CPA
Address 51 W 3RD ST. ZUMBROTA, MN 55992
Phone (507) 732-4609 Fax _____ Email pzimmerman@hcinet.net

Contractor Name AB SYSTEMS
Address 209 WOOD LAKE DR. SE ROCHESTER, MN 55904
Phone (507) 288-9397 Fax _____ Email bkaslow@absystemsinc.net

Engineer Name _____
Address _____
Phone _____ Fax _____ Email _____

Architect Name MARK HAFEN
Address _____
Phone (303) 324-1179 Fax _____ Email mrkhfen@gmail.com

PROJECT INFORMATION

1. The project will be:

- Industrial: New Construction Expansion Redevelopment / Rehab.
- Office/research facility that conforms to business park standards
- Commercial Redevelopment/Rehabilitation/Development
- Retail
- Other

2. In addition to Goodhue County, applicant is requesting Economic Development Abatement funds from:

City of: ZUMBROTA
School District: N/A

3. The project will be: Owner Occupied Leased Space

- If leased space, please attach a list names and addresses of future lessees and indicate the status of commitments or lease agreements. Include rental rates, terms, and length of lease. **Attach as Exhibit E.**

4. Project Address 1901 ROSCOE AVE. ZUMBROTA

- Include Legal Description and PID Number. **Attach as Exhibit F**

5. Site Plan and Floor Plan (foot print) Attached: Yes No

6. Total Amount of ECONOMIC DEVELOPMENT ABATEMENTS Requested:

\$ 70000 over years.

City Portion of Economic Development Abatements: Annual \$ Total \$

County Portion of Economic Development Abatements: Annual \$ Total \$

ISD Portion of Economic Development Abatements: Annual \$ Total \$

Township Portion of Economic Development Abatements: Annual \$ Total \$

7. Current Real Estate Taxes on Project Site: \$ unknown

Estimated Real Estate Taxes upon Completion: Phase I \$ UNKNOWN
Phase II \$

8. Construction Start Date: SPRING 2018
Construction Completion Date: SUMMER 2018
If Phased Project: Year % Completed
 Year % Completed

PUBLIC PURPOSE

It is the policy of Goodhue County that the use of Economic Development abatements should result in a benefit to the public. Please indicate how this project will serve a public purpose.

Job Creation: Number of existing jobs 76
 Number of FTE jobs created by project 1-3
 Average hourly wage of jobs created* \$15/hr. technicians
 * attach a position specific hourly wage \$60/hr. Veterinarian
 Minimum hourly wage of jobs created \$10/hr.
 Minimum benefits provided to all employees _____

New industrial or, commercial, which will result in additional private investment in the area.

Enhancement and/or diversification of the County's economic base.

The project contributes to the fulfillment of Goodhue County's Economic Development Strategic Plan Comprehensive Plan, Transportation Plan and Land Use Ordinance.

Removal of blight.

Rehabilitation of a high profile or priority site.

Finance or improve public infrastructure; or

Other: _____

SOURCES & USES

<u>SOURCES</u>	<u>NAME</u>	<u>AMOUNT</u>
Bank Loan	_____	\$ _____
Other Private Funds	_____	\$ _____
Equity	_____	\$ _____
Fed Grant/Loan	_____	\$ _____
State Grant/Loan	_____	\$ _____
EDA Micro Loan	_____	\$ _____
Tax Abatement Financing	_____	\$ _____
ID Bonds	_____	\$ _____
Other	_____	\$ _____
TOTAL		\$ _____

*****Please include loan terms also, including interest rates, payment and amortization schedule, etc.**

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ _____
Site Development	\$ _____
Construction	\$ _____
Machinery & Equipment	\$ _____
Architectural & Engineering Fees	\$ _____
Legal Fees	\$ _____
Interest During Construction	\$ _____
Debt Service Reserve	\$ _____
Contingencies	\$ _____
Other	\$ _____
TOTAL	\$ _____

*SEE
ATTACHED
SPREADSHEET*

ADDITIONAL DOCUMENTATION

Applicants may be required to provide the following documentation.

- A) Written business plan, including a description of the business, ownership/management, date established, products and services, and future plans
- B) Financial Statements for Past Two Years
 - _____ Profit & Loss Statement
 - _____ Balance Sheet
- C) Current Financial Statements
 - _____ Profit & Loss Statement to Date
 - _____ Balance Sheet to Date
- D) Future Financial Projections
- E) Personal Financial Statements of all Major Shareholders
 - _____ Profit & Loss
 - _____ Current Tax Return

- F) Letter of Commitment from Applicant Pledging to Complete During the Proposed Project Duration
- G) Letter of Commitment from the Other Sources of Financing Stating Terms and Conditions of their Participation in Project
- H) Debt schedules for all loans applicable to the project.

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes Goodhue County to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the County after the filing of this application.

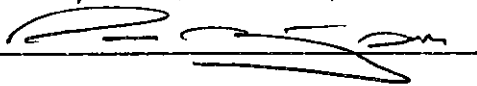
Applicant Name Zumbrota Veterans Properties, LLC Date 2/1/18
By Daniel M. Nietz, DVM 
Its OWNER

EXHIBIT A
Description of the corporation or partnership

EXHIBIT B
Description of the proposed project

EXHIBIT C
Names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership.

EXHIBIT D
But-for analysis

EXHIBIT E
Prospective Lessees

EXHIBIT F
Legal Description and PID Number

Goodhue County Tax Rebate Financing - Zumbrota Veterinary Properties, LLC

Exhibit A

Zumbrota Veterinary Properties is an LLC which will be constructing a new facility which will be leased long-term by Zumbrota Veterinary Clinic, which is a full-service companion animal medical facility, and has been in business since 1974.

Exhibit B

The facility needs for Zumbrota Veterinary Clinic have outgrown its current facility. Therefore a new structure will be constructed which will allow for updated services, equipment, a better location, and be a more energy-efficient building.

Exhibit C

Zumbrota Veterinary Properties, LLC is owned by Daniel M Nietz, DVM and Michael Strecker, DVM, who have a 50% ownership each.

Exhibit D

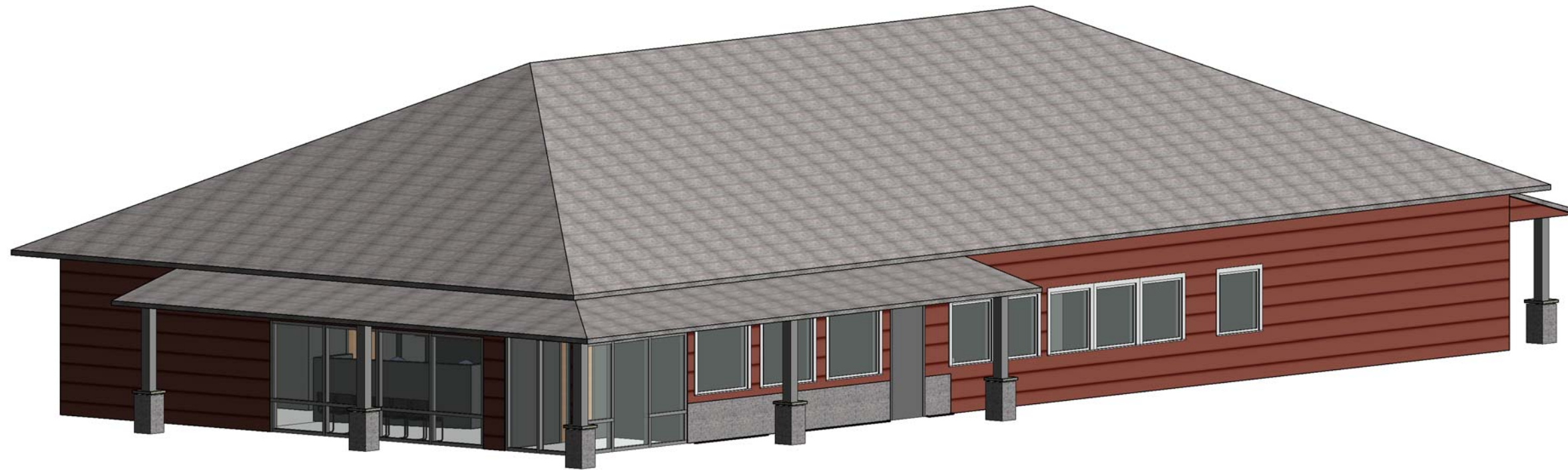
This construction project will not be able to be completed as proposed if it were not for the tax abatement of \$70,000 which contributes to the equity required by the Bank of Zumbrota for financing.

ZUMBROTA VETERINARY PROPERTIES, LLC
Dr. Daniel Nietz and Dr. Michael Strecker
Sources & Uses

Revision Date: 01/31/2018

	No Abatement	With Abatement	With Abatement & SBA
	Uses	Uses	Uses
Purchase Lot 2, Block 2 - Jacobson Commercial Development	\$50,000	\$50,000	\$50,000
Land Prep & Infrastructure Costs	\$20,000	\$20,000	\$20,000
Estimated Cost to Construct New Veterinary Clinic	\$771,200	\$771,200	\$771,200
Contingency Allowance	\$30,400	\$30,400	\$30,400
Veterinary Equipment	\$30,000	\$30,000	\$30,000
Estimated Closing Costs	\$13,691	\$13,691	\$13,691
SBA Closing Costs	\$0	\$0	\$13,000
TOTAL USE OF FUNDS/PROJECT COSTS	\$915,291	\$915,291	\$928,291
	Sources	Sources	Sources
Bank of Zumbrota - 1st REM	\$670,000	\$670,000	\$422,645
SBA 504	\$0	\$0	\$338,116
Abatement	\$0	\$70,000	\$70,000
Owners Cash Injection	\$245,291	\$175,291	\$97,530
TOTAL SOURCES OF FUNDS	\$915,291	\$915,291	\$928,291
Bank of Zumbrota - 1st REM - Estimated Long Term Rate	4.99%	4.99%	4.99%
Fixed for 10-years with a 20-year amortization.			
SBA 504 - 20-year fixed rate with a 20-year amortization			4.64%
BOZ - Estimated Monthly Payments	(\$4,418.00)	(\$4,418.00)	(\$2,786.94)
SBA 504 - Estimated Monthly Payments	\$ -	\$ -	(\$2,164.72)
TOTAL PRINCIPAL & INTEREST PAYMENTS	\$ (4,418.00)	\$ (4,418.00)	\$ (4,951.66)

Zumbrota Veterinary Clinic



DRAWN BY: CFA
ESTIMATED BY: RP
SALESMAN: BK
REVISIONS:

DATE
REVISION

AYSHFORD
architecture planning inc
27 4th Street NW Byron MN 55920-0888

AAP/ Project Number: _____
Project Number: _____
HEREBY CERTIFY THAT THIS WAS
PREPARED BY ME OR UNDER MY DIRECT
SUPERVISION AND THAT I AM A DULY
REGISTERED ARCHITECT UNDER THE
LAWS
OF THE STATE OF MINNESOTA.

Randall L. Aysford

PROJECT TITLE

ZUMBROTA VET CLINIC
ZUMBROTA, MN



A.B. SYSTEMS, INC.
Designer/Builder/Developer
Since 1972
209 Wood Lake Dr. SE
Rochester, MN 55904
(507) 288-9397

SHEET TITLE:
TITLE SHEET

SHEET NUMBER:

G0.0

PROJECT NUMBER:
2017-171

DRAWN BY: CFA
 ESTIMATED BY: RP
 SALESMAN: BK
 REVISIONS:

DATE
 REVISION

AYSHFORD
 architecture planning inc
 27 4th Street NW Byron MN 55920-0888

AAPI Project Number: _____
 Project Number: _____
 I HEREBY CERTIFY THAT THIS WAS
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 OF THE STATE OF MINNESOTA.

Randall L. Aysford

PROJECT TITLE

ZUMBROTA VET CLINIC
ZUMBROTA, MN



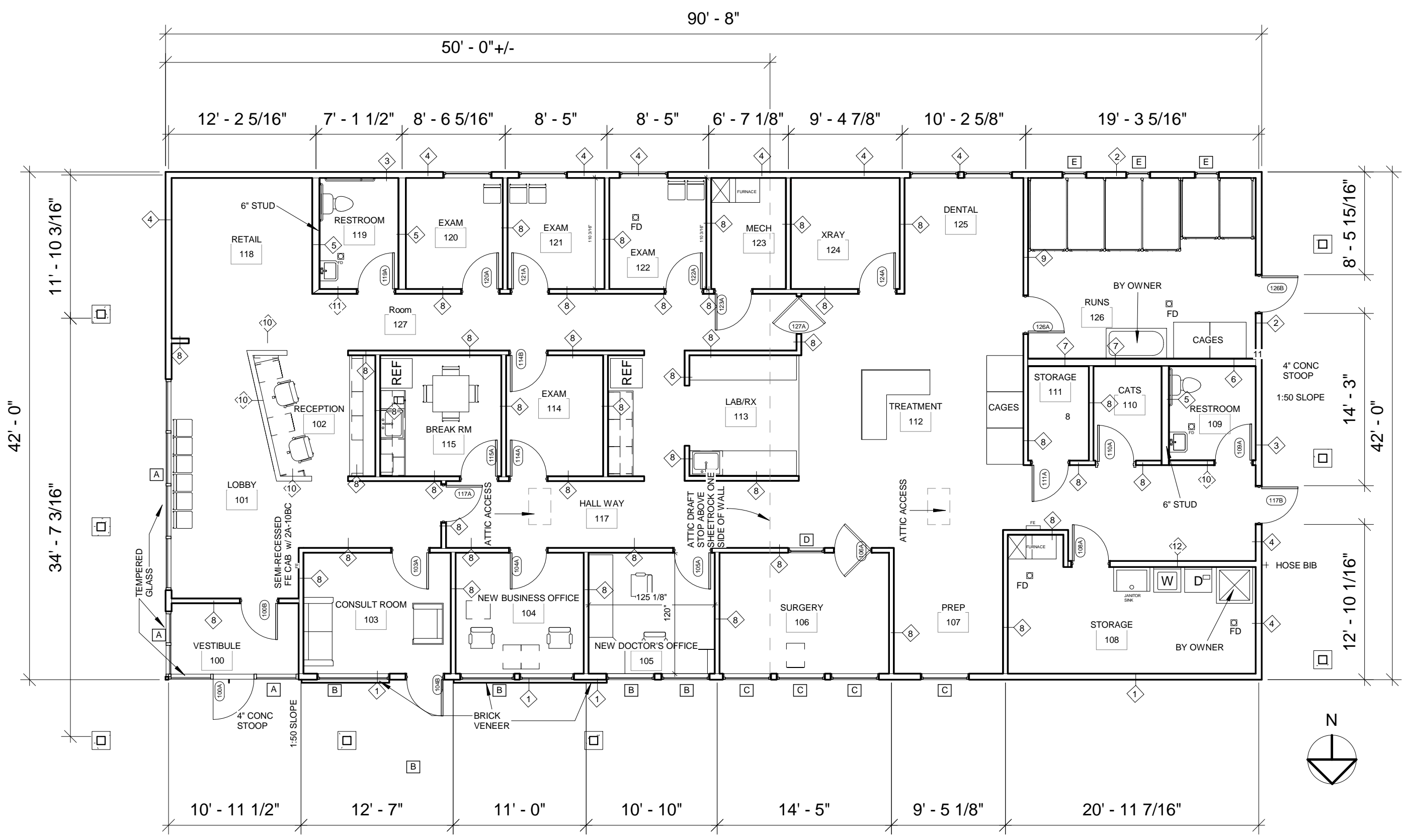
A.B. SYSTEMS, INC.
 Designer/Builder/Developer
 Since 1972
 209 Wood Lake Dr. SE
 Rochester, MN 55904
 (507) 288-9397

SHEET TITLE:
 FLOOR PLAN

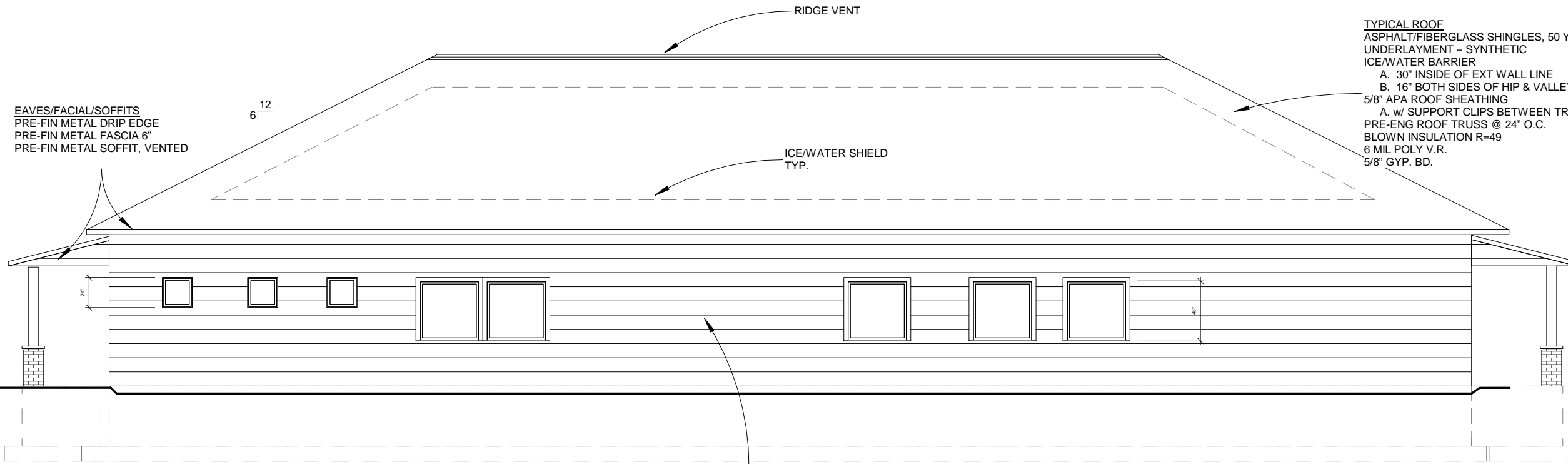
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A1.1

PROJECT NUMBER:
 2017-171



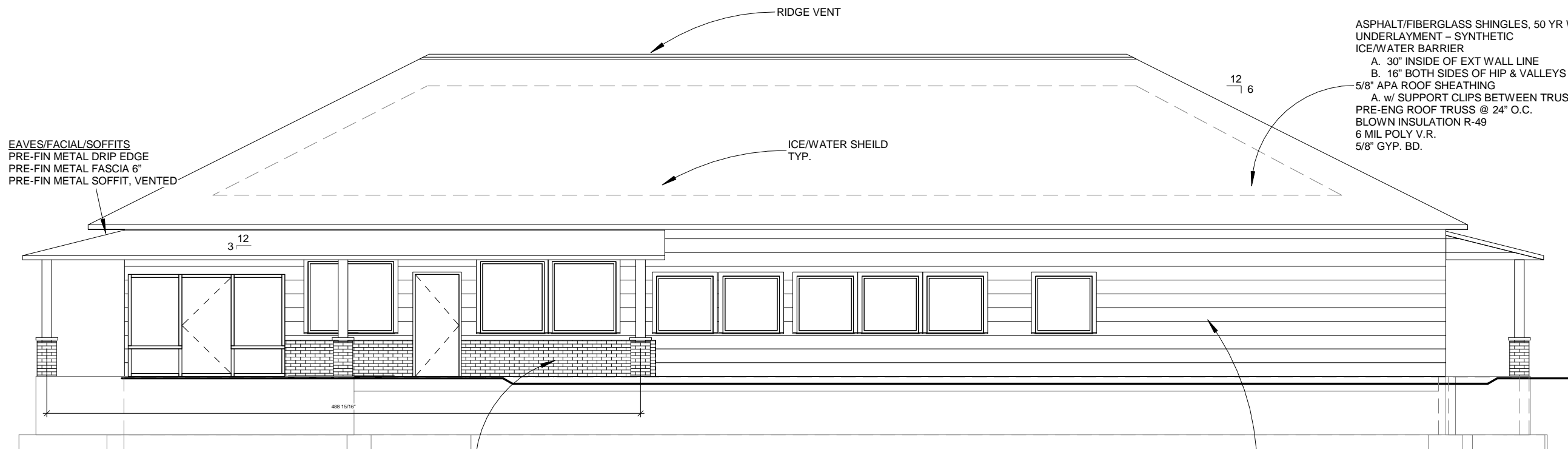
1 FIRST FLOOR
 1/8" = 1'-0"



1 SOUTH ELEVATION
1/8" = 1'-0"

TYPICAL WALL
4" DUTCH LAP STEEL SIDING AND WEATHER BARRIER
1/2" APA SHEATHING
3/4" (R=4) CONT INSUL (C.I.)
(OR USE COMPOSITE SHEATHING & C.I.)
2X6 WOOD STUDS @ 16" O.C.
BATT INSUL (R=21)
CLASS II VAPOR RETARDER
5/8" GYP. BD.

TYPICAL ROOF
ASPHALT/FIBERGLASS SHINGLES, 50 YR WARRANTY
UNDERLAYMENT - SYNTHETIC
ICE/WATER BARRIER
A. 30" INSIDE OF EXT WALL LINE
B. 16" BOTH SIDES OF HIP & VALLEYS
5/8" APA ROOF SHEATHING
A. w/ SUPPORT CLIPS BETWEEN TRUSSES
PRE-ENG ROOF TRUSS @ 24" O.C.
BLOWN INSULATION R=49
6 MIL POLY V.R.
5/8" GYP. BD.



2 NORTH ELEVATION
1/8" = 1'-0"

WALL/MASONRY VENEER:
2 1/2" MODERRA MASONRY VENEER
4" H SCORED SPLIT FACE
3/4" AIR SPACE
WEATHER BARRIER
1/2" APA SHEATHING
3/4" CONT INSUL (C.I.)
2X6 WOOD STUDS @ 16" O.C.
BATT INSUL (R-21)
CLASS II VAPOR RETARDER
5/8" GYP. BD.

4" DUTCH LAP STEEL SIDING AND WEATHER BARRIER
1/2" APA SHEATHING
3/4" (R-4) CONT INSUL (C.I.)
(OR USE COMPOSITE SHEATHING & C.I.)
2X6 WOOD STUDS @ 16" O.C.
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BLOWN INSULATION R-49
6 MIL POLY V.R.
5/8" GYP. BD.

DRAWN BY: CFA
ESTIMATED BY: RP
SALESMAN: BK
REVISIONS:

DATE
REVISION

AYSHFORD
architecture planning inc
27 4th Street NW Byron MN 55920-0888

AAPI Project Number: _____ Project Number: _____
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Randall L. Aysford

PROJECT TITLE

ZUMBROTA VET CLINIC
ZUMBROTA, MN



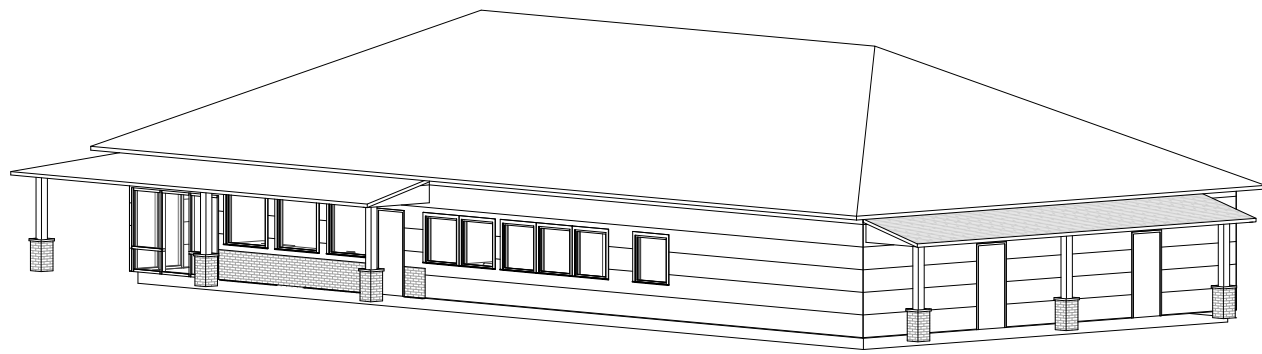
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SHEET TITLE:
ELEVATIONS

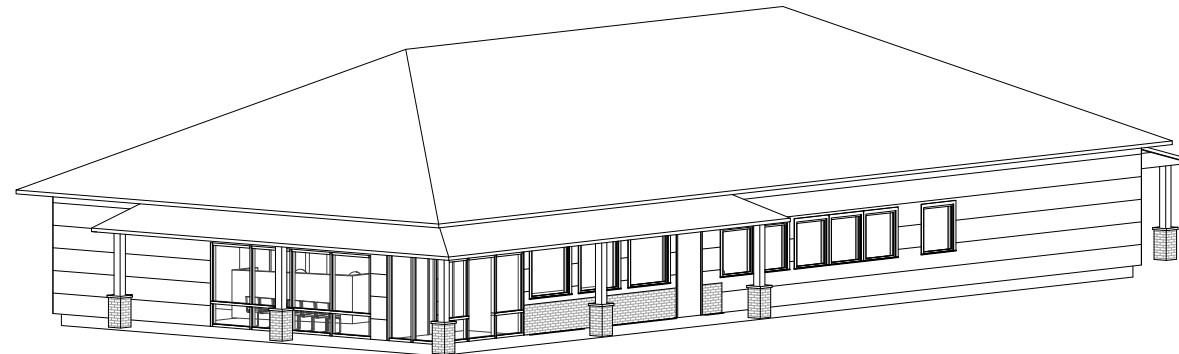
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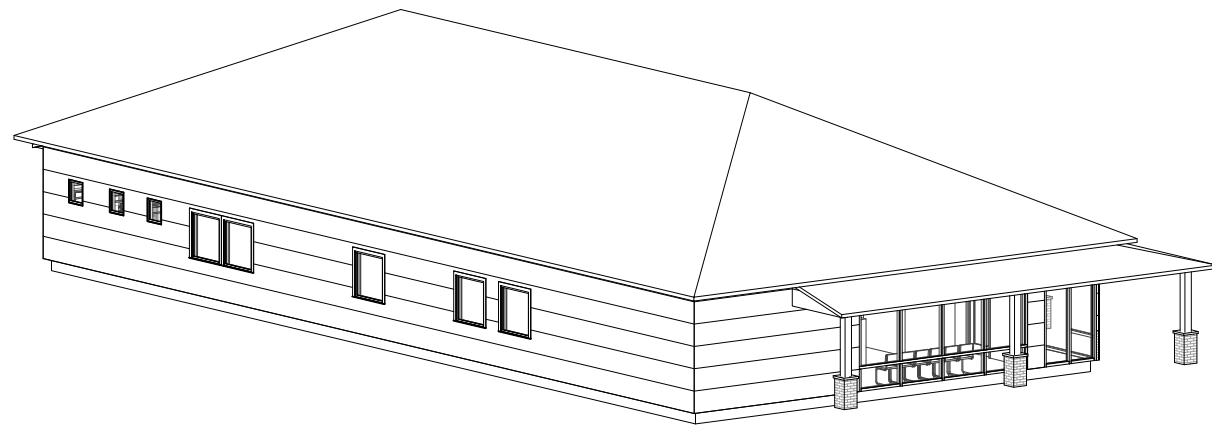
PROJECT NUMBER:
2017-171



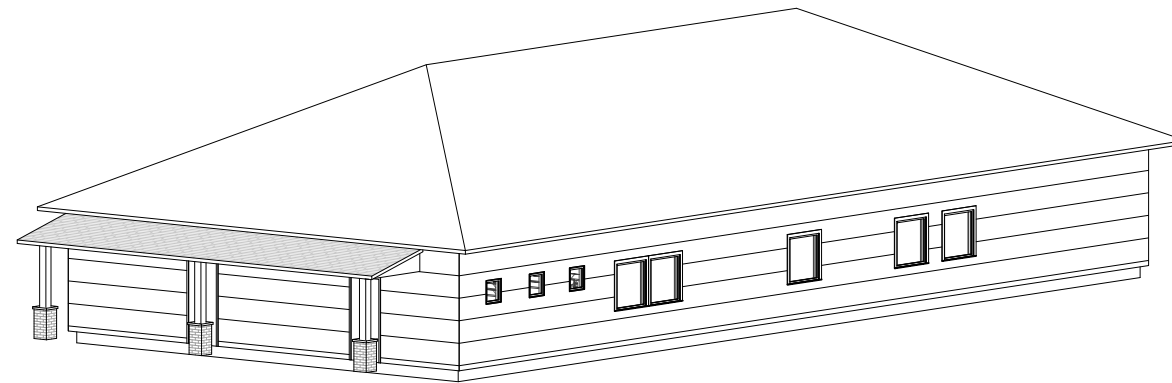
② 1 _____



① 2 _____



③ 3 _____



④ 4 _____

DRAWN BY: CFA
ESTIMATED BY: RP
SALESMAN: BK
REVISIONS:

DATE
REVISION

AYSHFORD
architecture planning inc
27 4th Street NW Byron MN 55920-0838

AAPI Project Number: _____ Project Number _____
I HEREBY CERTIFY THAT THIS WAS
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Randall L. Aysford

PROJECT TITLE

ZUMBROTA VET CLINIC
ROCHESTER, MN



A.B. SYSTEMS, INC.
Designer/Builder/Developer
Since 1972
209 Wood Lake Dr. SE
Rochester, MN 55904
(507) 288-9397

SHEET TITLE:
3D VIEWS

SHEET NUMBER:

A3.2

PROJECT NUMBER:
2017-171



Goodhue County Economic Development Authority

Goodhue County Government Center
509 W. 5th St.
Red Wing, MN



Staff: Phone: Ron Zeigler – 651-764-4342
Email: ron.zeigler@cedausa.com

April 12, 2018

To: Goodhue County EDA Commissioners & Staff
From: Ron Zeigler, CEDA
RE: Zumbrota Sales LLC Tax Abatement Application

Background:

A Tax Abatement application has been received from Zumbrota Sales LLC for a new auto dealership proposed in Zumbrota. The dealership will be owned by members of the Johnson family who are owners of Zumbrota Ford. The abatement request is for \$5,600 per year for 10 years totaling \$56,000. The abatement dollars will be utilized in the project costs for a portion of the infrastructure costs for work that is needed for sitework/earthwork. The subcommittee felt comfortable with the use of the Abatement even though a portion of the business would be classified as retail in nature. The City of Zumbrota has been asked to participate at the same level.

The total project costs are \$3.372 million. New jobs are estimated at 25 full-time positions averaging \$24 per hour and 9 part-time. The company is estimating new payroll in year 1 of \$1.77 million. The \$1,000 application fee has been received.

Recommendation:

The subcommittee reviewed the documentation and recommended this application be forwarded to the EDA Board for its reviewal as the owners do have a successful business within the County, the Abatement dollars will be utilized for soil corrections to make the property in a higher, better use.

Action required:

- Upon review and discussion, the Board will need to determine if this application meets with the requirements of the policy and is worthy of the Abatement incentive. If so, the Board will need to approve a motion recommending the Goodhue County Commissioners move forward with the application by setting a public hearing for their next scheduled meeting. The Board could also table the application and request additional information or the Board could determine that it does not wish to move forward with the application.

Please feel free to forward any questions that you may have so that we can provide the answers to you.

APPLICATION FOR TAX REBATE FINANCING

APPLICANT INFORMATION

Name of Corporation/Partnership ZUMBROTA SALES LLC
Address 844 AUGUSTA AVE.
Primary Contact ZUMBROTA MN 55992
Address _____
Phone 507-732-1501 Fax 507-732-7775 Email SJOHNSON@ZUMBROTA-FARED.COM

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. Attach as **Exhibit A**.
- Brief description of the proposed project. Attach as **Exhibit B**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. (both current and planned owners in the project) **Attach as Exhibit C**.
- A *but-for* analysis and narrative. **Attach as Exhibit D**.

Attorney Name RACHEL ESTRELLA - DAKOTA LAW
Address 16233 KENYON AVE SUITE 2 LAKEVILLE MN 55044
Phone 952-344-8852 Fax _____ Email RESTRELLA@DAKOTALAW.COM

Accountant Name BRIAN MAN - LURIE LLP
Address 2501 WYZATA BLVD. MINNEAPOLIS MN 55405
Phone 612-377-4404 Fax 612-377-1325 Email BMAN@LURIELLP.COM

PROPOSED
Contractor Name KNUTSON CONSTRUCTION
Address 5985 BANDEL ROAD ROCHESTER MN 55901
Phone 507-280-9788 Fax 507-280-9797 Email TJOSEPH@KNUTSONCONSTRUCTION.COM

Engineer Name GRAIG BRITTON WSN
Address 3777 46th AVE N.W. STE 200 ROCHESTER 55901
Phone 226-2125 Fax _____ Email GRAIG.BRITTON@WSN.US.COM

P
Architect Name DARWIN LINDAHL
Address 4124 AVEBEC AVE N. SUITE 106 MPLS. MN. 55427
Phone 763-560-0448 Fax 763-560-0441 Email DARWIN@LINDALLARCHITECTS.COM

PROJECT INFORMATION

1. The project will be:

- Industrial: New Construction Expansion Redevelopment / Rehab.
- Office/research facility that conforms to business park standards
- Commercial Redevelopment/Rehabilitation/Development
- Retail
- Other

2. In addition to Goodhue County, applicant is requesting Economic Development Abatement funds from:

City of: ZUMBROTA
 School District: _____

3. The project will be: Owner Occupied Leased Space
 • If leased space, please attach a list names and addresses of future lessees and indicate the status of commitments or lease agreements. Include rental rates, terms, and length of lease. **Attach as Exhibit E.** N/A

4. Project Address 300 22ND ST.
 • Include Legal Description and PID Number. **Attach as Exhibit F**

5. Site Plan and Floor Plan (foot print) Attached: Yes No

6. Total Amount of ECONOMIC DEVELOPMENT ABATEMENTS Requested:

\$ 112,000 over 10 years.

City Portion of Economic Development Abatements: Annual \$ 5,600 Total \$ 56,000

County Portion of Economic Development Abatements: Annual \$ 5,600 Total \$ 56,000

ISD Portion of Economic Development Abatements: Annual \$ _____ Total \$ _____

Township Portion of Economic Development Abatements: Annual \$ _____ Total \$ _____

7. Current Real Estate Taxes on Project Site: \$ 2,356.00

Estimated Real Estate Taxes upon Completion: Phase I \$ 55,000
 Phase II \$ _____

8. Construction Start Date: SPRING 2018
 Construction Completion Date: FALL 2018
 If Phased Project: _____ Year _____ % Completed
 _____ Year _____ % Completed

PUBLIC PURPOSE

It is the policy of Goodhue County that the use of Economic Development abatements should result in a benefit to the public. Please indicate how this project will serve a public purpose.

Job Creation: Number of existing jobs _____
 Number of FTE jobs created by project 25
 Average hourly wage of jobs created* \$24.00
 * attach a position specific hourly wage
 Minimum hourly wage of jobs created _____
 Minimum benefits provided to all employees _____

New industrial or, commercial, which will result in additional private investment in the area.

Enhancement and/or diversification of the County's economic base.

____ The project contributes to the fulfillment of Goodhue County's Economic Development Strategic Plan Comprehensive Plan, Transportation Plan and Land Use Ordinance.

____ Removal of blight.

Rehabilitation of a high profile or priority site.

Finance or improve public infrastructure; or

____ Other: _____

Public Purpose

Zumbrota Sales LLC is formed for the purpose of a NEW auto dealership representing CHRYSLER DODGE JEEP and RAM.

The Johnson family, owners of Zumbrota Ford will own and operate this proposed dealership.

The Johnson family has owned Zumbrota Ford for the past 18 years and the families reside in Zumbrota/ Goodhue County.

Our current store operates with 48 full time employees. Our total wages in 2017 among all fulltime, part time people were \$2.95 million dollars. We had 92 W-2 forms, including people who worked a partial year and left, people who work part time permanent as well as part time casual.

Our business plan forecast sales to be at 60% of our Ford store to start. Chrysler feels our market should be at 80-90 % of our current Ford sales. We forecast an annual payroll of \$ 1.77 million in our first year. This will be 25 full time jobs and 9 part time jobs, with an average of \$ 50,000 annual.

These are skilled jobs. Auto technicians, Parts Dept manager and counter person, Auto sales people, Managers, Office staff, with earnings ranging from the low \$30's to over \$ 100,000 Based on skill, experience and abilities.

Zumbrota Ford has always payed above current minimum wage, with our current minimum of \$ 10.50 per hour for our lowest skilled position.

This store will provide good, high earning jobs, and help stimulate the economic activity in Zumbrota and western Goodhue County.

To have an Auto Shopping Hub with dealerships representing FORD- CHEV- BUICK- CHRYSLER- DODGE- JEEP- RAM all in a city of 3000+ people is unheard of! We do attract hundreds of shoppers and service customers monthly, and will only grow with the addition of these franchises. These stores will attract customers from a large area and bring people from Rochester and Twin Cities here, instead of the other way around. Keeping sales dollars and jobs and wages in our local community.

SOURCES & USES

<u>SOURCES</u>	<u>NAME</u>	<u>AMOUNT</u>
Bank Loan	<u>COULEE BANK</u>	\$ <u>1,600,000</u>
Other Private Funds	_____	\$ <u>320,000</u>
Equity	_____	\$ _____
Fed Grant/Loan	_____	\$ _____
State Grant/Loan	_____	\$ _____
EDA Micro Loan	<u>ETA EDA RLP</u>	\$ <u>200,000</u>
Tax Abatement Financing	<u>ETA & COULEE CO.</u>	\$ <u>112,000</u>
ID Bonds	_____	\$ _____
Other	<u>SBA 504</u>	\$ <u>1,140,765</u>
TOTAL		\$ <u>3,372,765</u>

***Please include loan terms also, including interest rates, payment and amortization schedule, etc.

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ <u>237,755</u>
Site Development	\$ <u>526,021</u>
Construction	\$ <u>2,208,989</u>
Machinery & Equipment	\$ <u>400,000</u>
Architectural & Engineering Fees	\$ _____
Legal Fees	\$ _____
Interest During Construction	\$ _____
Debt Service Reserve	\$ _____
Contingencies	\$ _____
Other	\$ _____
TOTAL	\$ <u>3,372,765</u>

ADDITIONAL DOCUMENTATION

Applicants may be required to provide the following documentation.

- A) Written business plan, including a description of the business, ownership/management, date established, products and services, and future plans
- B) Financial Statements for Past Two Years
 - _____ Profit & Loss Statement
 - _____ Balance Sheet
- C) Current Financial Statements
 - _____ Profit & Loss Statement to Date
 - _____ Balance Sheet to Date
- D) Future Financial Projections
- E) Personal Financial Statements of all Major Shareholders
 - _____ Profit & Loss
 - _____ Current Tax Return

- F) Letter of Commitment from Applicant Pledging to Complete During the Proposed Project Duration
- G) Letter of Commitment from the Other Sources of Financing Stating Terms and Conditions of their Participation in Project
- H) Debt schedules for all loans applicable to the project.

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes Goodhue County to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the County after the filing of this application.

Applicant Name ZUMBROTA SALES LLC Date 2-28-08
By STEVE JOHNSON
Its CHIEF MANAGER

EXHIBIT A

Zumbrota Chrysler brief history.

Steve Johnson and family, have owned Zumbrota Ford since 1999. Steve has been in the Ford sales business for 46 years, serving in St. Charles, Winona, Farmington- Lakeville and now Zumbrota.

In 2017 Chrysler (FCA) came to us and identified Zumbrota as a location for a future dealership. They cited the proximity to Rochester and the growth potential as being a great opportunity for expansion. They wanted to be in proximity to this market, but 10 or more miles out, due to State franchise laws. Other potential locations could be Kasson, Eyota, St. Charles or others. This is their first pick, and if not here, it will be somewhere else.

We propose to build an all new dealership on the west side of Hwy 52 and near our Ford store. The ability to share duties among all of our employees and managers is a plus for this new business.

We will take some people from our Ford store, who will be capable of managing this new operation, and we will hire about 25 people to fill new positions among both stores.

The dealership will sit on 2-3 acres selling New and pre-owned vehicles, doing full service at retail and warranty level. We will sell Chrysler branded parts as well. We will not have a body/paint facility. We hope to acquire another 1-2 acres in the same business park for our future expansion as needed.

This dealership will create new, good paying jobs and be a strong anchor for the Zumbrota business community.

EXHIBIT B

The proposed dealership will be located on approx. 2-3 acres in the Jacobson business park.

This will occupy a big hole in the park, and spur future development as well.

The building will be architect designed and to Chrysler (FCA) standards. It is a very high quality, visually appealing structure with high end finishes inside. Ceramic tile throughout, wood paneled walls, and high quality standards in furnishings and equipment. This building will meet the exact same finish schedules as any new Chrysler building in any major market.

We will build a 13,800 to 15,000 square foot building with about 2000 feet of storage above. Exact building is size still under discussion. The building is designed for future expansion as we grow. This building meets Chrysler (FCA) standards of design.

Attached is a cost estimate of construction (less land costs) as well as an illustration of footprint and front view.

We still need to work with the city and the county to properly situate the building and to address some drainage issues.

Exhibit C

Owners and officers:

Steven D Johnson

Colleen A. Johnson

844 Augusta Ave.

Zumbrota, MN 55992

Steve/ Colleen are to be 100% owners of proposed Zumbrota Chrysler dealership.

They also own 90% of Zumbrota Ford Sales LLC and the other 10% is owned by daughter, Kristin A. Johnson of Zumbrota.

It is planned that the dealership will stay in the family and transition over time to Johnson daughters, who are both active in the operation of our current dealership.

EXHIBIT D

Zumbrota Chrysler brief history.

BUT - FOR

Steve Johnson and family, have owned Zumbrota Ford since 1999. Steve has been in the Ford sales business for 46 years, serving in St. Charles, Winona, Farmington- Lakeville and now Zumbrota.

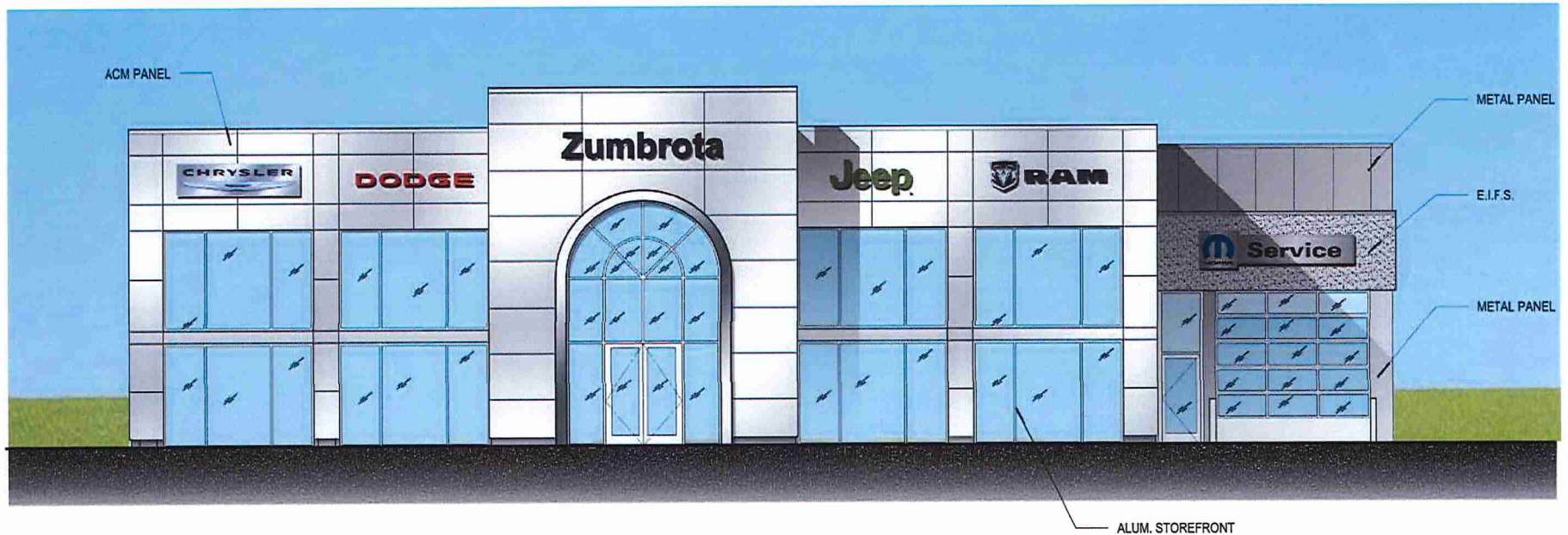
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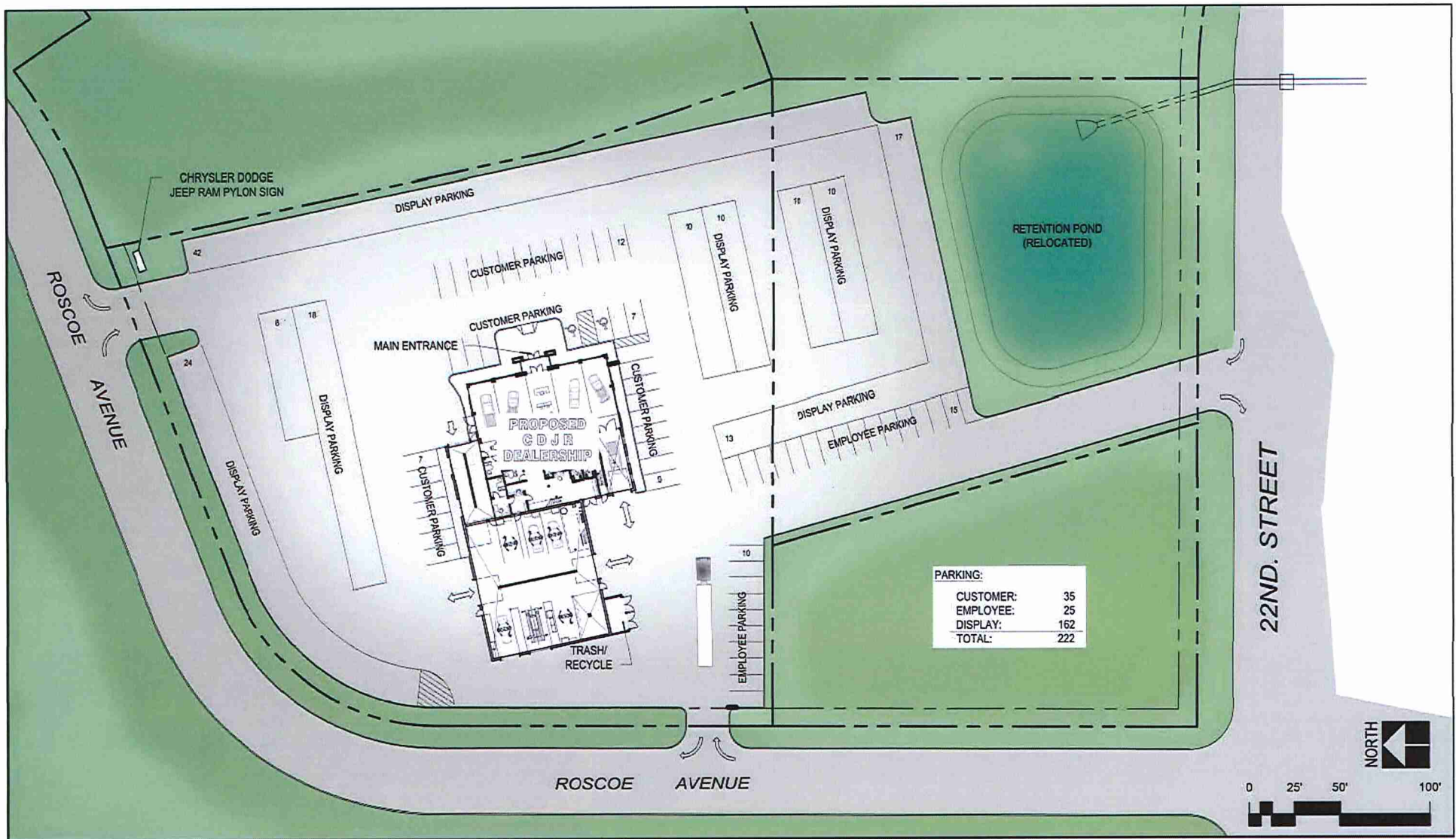
Darwin Lindahl Architects, P.A.
 4124 Quebec Ave. North, Suite 106
 Minneapolis, Minnesota 55427
 Ph: 763.560.0448 Fax: 763.560.0441
 e-mail: lindahlarch@gmail.com

PROPOSED FACILITY FOR
ZUMBROTA CHRYSLER DODGE JEEP RAM
 ZUMBROTA, MINNESOTA

DRAWING:	FRONT ELEVATION
PROJECT #:	2017-18
DATE:	3/1/2018
SCALE:	1/8" = 1'-0"

A201

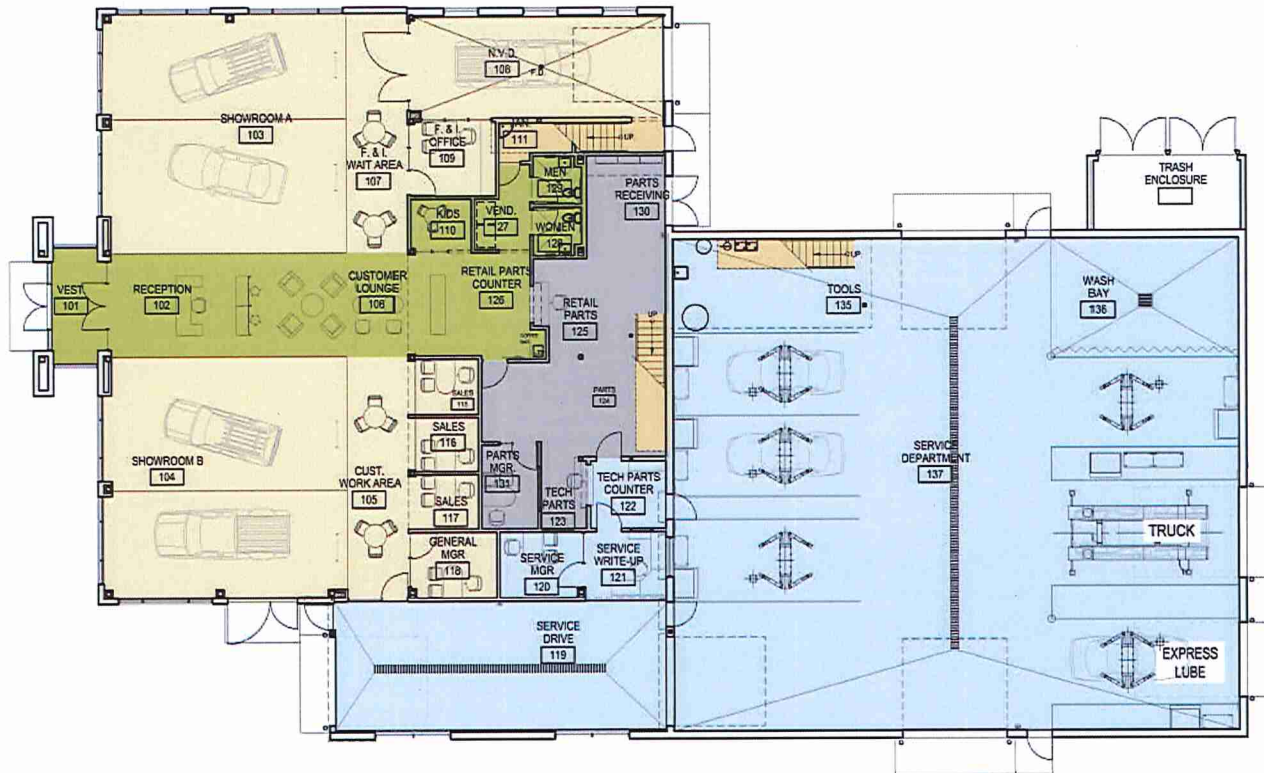
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Darwin Lindahl Architects, P.A.
 4124 Quebec Ave. North, Suite 106
 Minneapolis, Minnesota 55427
 Ph: 763.560.0448 Fax: 763.560.0441
 e-mail: lindahlrch@gmail.com

PROPOSED FACILITY FOR
ZUMBROTA CHRYSLER DODGE JEEP RAM
 ZUMBROTA, MINNESOTA

DRAWING:	SITE PLAN	A090
PROJECT #:	2017-18	
DATE:	3/1/2018	
SCALE:	1" = 50'-0"	

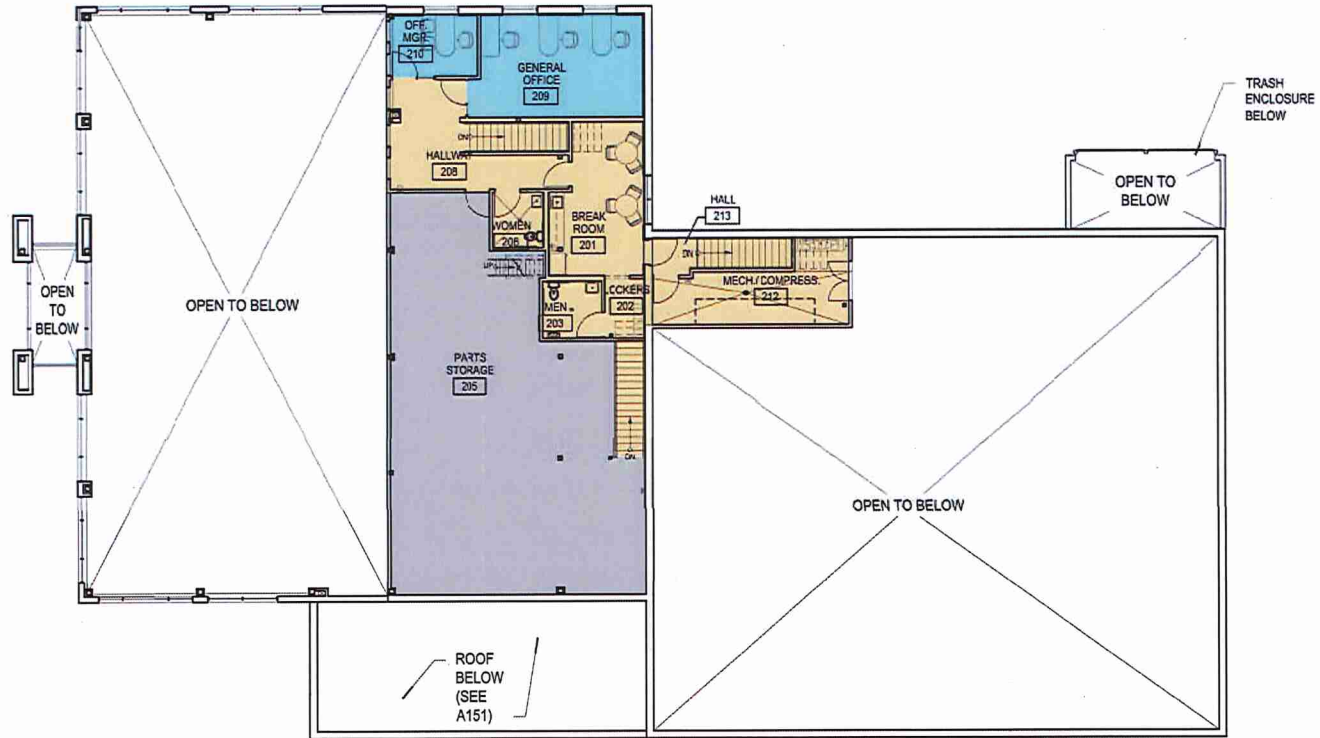


D.L.A.
Darwin Lindahl Architects, P.A.
 4124 Quebec Ave. North, Suite 106
 Minneapolis, Minnesota 55427
 Ph:763.560.0448 Fax:763.560.0441
 e-mail: lindahlarch@gmail.com

PROPOSED FACILITY FOR
ZUMBROTA CHRYSLER DODGE JEEP RAM
 ZUMBROTA, MINNESOTA

DRAWING: MAIN FLOOR PLAN	
PROJECT #:	2017-18
DATE:	3/1/2018
SCALE:	1/16" = 1'-0"

A111
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Darwin Lindahl Architects, P.A.
 4124 Quebec Ave. North, Suite 106
 Minneapolis, Minnesota 55427
 Ph: 763.560.0448 Fax: 763.560.0441
 e-mail: lindahlarch@gmail.com

PROPOSED FACILITY FOR
ZUMBROTA CHRYSLER DODGE JEEP RAM
 ZUMBROTA, MINNESOTA

DRAWING:	UPPER FLOOR PLAN
PROJECT #:	2017-18
DATE:	3/1/2018
SCALE:	1/16" = 1'-0"

A121

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Goodhue County Economic Development Authority

Goodhue County Government Center
509 W. 5th St.
Red Wing, MN



Staff: Phone: Ron Zeigler – 651-764-4342
Email: ron.zeigler@cedausa.com

April 12, 2018

To: Goodhue County EDA Commissioners & Staff

From: Ron Zeigler, CEDA

RE: Stowell Management, LLC (holding company), Cannon River Winery
(business entity) Tax Abatement Application

Background:

A Tax Abatement application has been received from Stowell Management, LLC/Cannon River Winery for assistance with the expansion into properties that are owned by the City of Cannon Falls and the EDA to increase production among other things. The 18,192 square foot expansion has a \$2.264 million dollar estimated project cost. The project will create 8 new part-time positions - 4.85 FTE at an average wage of \$12.63 per hour with a minimum wage of \$10 and benefits of \$2.30 per hour. The applicant is asking for \$153,203 worth of County abatement over 12 years. They are asking the City of Cannon Falls for abatement dollars of \$236,537 over this same period. Property taxes upon completion are estimated at \$75,661 per year.

The subcommittee met twice to review the application and additional answers provided for questions from the subcommittee. The discussion included as to why Tax Increment Financing is not an option; coming up with a further understanding as to what level the annual payroll will increase with the new jobs and the verification of this; and comparing the increased tax base and jobs versus the \$153,000 County Tax Abatement incentive plus the amount the City of Cannon Falls is contributing. The \$1,000 application fee has been received.

Recommendation:

While further discussion is needed, the subcommittee recommended moving this application forward to the EDA Board for discussion and consideration.

Action required:

- Upon review and discussion, the Board will need to determine if this application meets with the requirements of the policy and is worthy of the Abatement incentive. If so, the Board will need to approve a motion recommending the Goodhue County Commissioners move forward with the application by setting a public hearing for their next scheduled meeting. The Board could also table the application and request additional information or the Board could determine that it does not wish to move forward with the application.

Please feel free to forward any questions that you may have so that we can provide the answers to you.

APPLICATION FOR TAX REBATE FINANCING

APPLICANT INFORMATION

Name of Corporation/Partnership ***Stowell Management, LLC (RE Holding Company)
Cannon River Winery (Business Entity)***

Address ***421 Mill St W, Cannon Falls, MN 55009***

Primary Contact ***Ron Stowell (Business Owner), Annie Deckert, Decklan Group***

Address ***421 Mill St W, Cannon Falls, MN 55009, 628 Main St. NW Elk River, MN 55330***

Phone ***763-568-9498*** Email ***annie@decklangroup.com***

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. Attach as **Exhibit A**.
- Brief description of the proposed project. Attach as **Exhibit B**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. (both current and planned owners in the project) **Attach as Exhibit C**.
- A *but-for* analysis and narrative. **Attach as Exhibit D**.

Attorney Name ***Larson & King/John Markert***

Address ***30 East Seventh Street, Suite 2800, St. Paul, MN 55101***

Phone ***612-384-0215*** Fax _____ Email _____

Accountant Name ***Abercrombie Accounting/Daniel Abercrombie***

Address ***8000 Norman Center Drive, Suite 115, Bloomington, MN 55437***

Phone ***952-835-6065*** Email ***Daniel@abercrombieinc.com***

Contractor Name ***RJ Ryan Construction/Michael Johnson***

Address ***1100 Mendota Heights, Mendota Heights, MN 55120***

Phone ***651-365-7022*** Email ***mjohnson@rjryan.com***

Engineer Name ***same as Contractor***

Address _____

Phone _____ Fax _____ Email _____

Architect Name ***same as Contractor***

Address _____

Phone _____ Fax _____ Email _____

PROJECT INFORMATION

1. The project will be:

___ Industrial: ___ New Construction **X** Expansion ___ Redevelopment / Rehab.
___ Office/research facility that conforms to business park standards
X Commercial Redevelopment/Rehabilitation/Development
___ Other _____

2. In addition to Goodhue County, applicant is requesting Economic Development Abatement funds from:

City of : **Cannon Falls**
School District: _____

3. The project will be: **X** Owner Occupied ___ Leased Space
• If leased space, please attach a list names and addresses of future lessees and indicate the status of commitments or lease agreements. Include rental rates, terms, and length of lease. **Attach as Exhibit E.**

4. Project Address **421 Mill St W, Cannon Falls, MN 55009**
• Include Legal Description and PID Number. **Attach as Exhibit F**

5. Site Plan and Floor Plan (foot print) Attached: **X** Yes ___ No

6. Total Amount of ECONOMIC DEVELOPMENT ABATEMENTS Requested:

\$ 389,740 over **12** years.

City Portion of Economic Development Abatements: Annual \$ _____ Total \$ **236,537**

County Portion of Economic Development Abatements: Annual \$ _____ Total \$ **153,203**

7. Current Real Estate Taxes on Project Site: **\$ 19,464**

Estimated Real Estate Taxes upon Completion: **up to \$75,661***
**based on current rates*

8. Construction Start Date: **Spring of 2018**
Construction Completion Date: **Fall 2018**

PUBLIC PURPOSE

It is the policy of Goodhue County that the use of Economic Development abatements should result in a benefit to the public. Please indicate how this project will serve a public purpose.

X Job Creation: Number of existing jobs **10 FT, 23 PT = 25.35 FTE**

Number of FTE jobs created by project **8 PT = 4.85 FTE**
 Average hourly wage of jobs created* **\$12.63**
 * attach a position specific hourly wage
 Minimum hourly wage of jobs created **\$10.00**
 Minimum benefits provided to all employees **\$2.30/hr**

- New industrial or, commercial, which will result in additional private investment in the area.
- Enhancement and/or diversification of the County's economic base.
- The project contributes to the fulfillment of Goodhue County's Economic Development Strategic Plan Comprehensive Plan, Transportation Plan and Land Use Ordinance.
- Removal of blight.
- Rehabilitation of a high profile or priority site.
- Finance or improve public infrastructure; or **Discussions have been had with the city for the inclusion of an ADA sidewalk along the river – this will be finalized in the development agreement with the city**

Other: _____

SOURCES & USES

<u>SOURCES</u>	<u>NAME</u>	<u>AMOUNT</u>
Bank Loan - Building	20-year term	\$ 1,511,417
Bank Loan - Equipment	_____	\$ 470,792
Equity	_____	\$ 227,000
EDA Micro Loan	5-year term, 0%	\$ 55,000
Tax Abatement Financing	n/a (pay-as-you-go)	\$
TOTAL		\$ 2,264,209

*****Please include loan terms also, including interest rates, payment and amortization schedule, etc.**

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ 75,000
Construction	\$ 1,655,417
Machinery & Equipment	\$ 470,792
Furniture & Fixtures (office & patio)	\$ 18,000
Building Signage	\$ 15,000
Professional Fees	\$ 10,000
Contingencies	\$ 20,000
Other	\$
TOTAL	\$ 2,264,209

ADDITIONAL DOCUMENTATION

Applicants may be required to provide the following documentation.

- A) Written business plan, including a description of the business, ownership/management, date established, products and services, and future plans
- B) Financial Statements for Past Two Years
 - _____ Profit & Loss Statement
 - _____ Balance Sheet
- C) Current Financial Statements
 - _____ Profit & Loss Statement to Date
 - _____ Balance Sheet to Date
- D) Future Financial Projections
- E) Personal Financial Statements of all Major Shareholders
 - _____ Profit & Loss
 - _____ Current Tax Return
- F) Letter of Commitment from Applicant Pledging to Complete During the Proposed Project Duration
- G) Letter of Commitment from the Other Sources of Financing Stating Terms and Conditions of their Participation in Project
- H) Debt schedules for all loans applicable to the project.

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes Goodhue County to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the County after the filing of this application.

Applicant Name KORAN STOWELL Date 2-27-18
By [Signature]
Its PRESIDENT : OWNER

CRW Tax Abatement Exhibits

Goodhue County/City of Cannon Falls

Exhibit A - *brief description of the corporation/partnership's business, including history, principal product or service, etc.*

Cannon River Winery (CRW) has been in business for over 15 years and is located in downtown Cannon Falls. Located in an up-to-code historic 2-story building, this 15,000 sq.ft. facility brings over 100,000 people to Cannon Falls per year. Hosting over 40 weddings per year and producing 120,000 bottles of wine per year, CRW has built a dominant and profitable position in the growing MN wine industry. Independently owned and operated by Ron Stowell (purchased in 2015), CRW has over 300 wholesale accounts across MN and also offers a 8,000 sq. ft. tasting room and event center.

CRW employs 10 FT employees, averaging \$34.50/hr and 23 PT employees (approximately 25 FTE). CRW grows and uses grapes from their 80-acre vineyard, located 7 miles away from the winery. Since purchasing the winery in 2015, Mr. Stowell has grown the business to a point where it is unable to add new products, produce more wine, or increase sales; resulting in stifled growth, limited market distribution and plateaued job creation.

CRW prides itself in giving back to the local community and their philanthropic efforts. CRW frequently participates/donates/supports the following through fundraisers, donations, volunteer hours and waived meeting room space fees:

- Feed my Starving Children
- Cannon Falls Rotary Club
- Cannon Falls Veterans Memorial Statues (fundraising)
- Cannon Falls High Schools AP Government Class (donations)
- Children's Gillette Hospital
- The RT Autism Awareness Gala
- Hope Chest for Breast Cancer Foundation
- MN Environmental Fund
- Open Your Heart to Hungry & Homeless
- Backing the Blue Line, many more!

Exhibit B - *brief description of proposed project*

CRW is looking to double their production by expanding their building footprint approximately 18,192 sq.ft. to the west of their existing facility. This expansion will allow CRW to double their production, add a cellar, office facilities and warehouse space (currently located off-site in 6,000 sq.ft). Additionally, approximately \$472,000 of new equipment will be added to support increased capacity. Equipment includes: grape processing equipment, wine processing equipment and three new facility systems to modernize and upgrade the facility. (list attached). Expansion includes a cellar, offices, warehouse space and patio to be utilized for tastings and events.

The project also includes expanding their current tasting room, and the addition of additional food offerings. Total project cost is expected to be approximately \$2,264,209.

In working closely with the City of Cannon Falls and Cannon Falls EDA, CRW will be purchasing approximately 0.43 acres total from the entities. Total cost of property is \$75,001. Properties include:

- PID 52-100-4160 (EDA owned, 433 Mill St, \$75,000)
- PID 52-100-4110 (City owned, only a portion will be purchased, approx. 3,240 sq.ft., \$1)

Based upon preliminary estimates, Goodhue County Assessor Peggy Trebil estimates the completed project to be valued at \$1.2M - \$1.3M, which would result in an additional \$45,220-\$48,988 in taxes/yr. CRW currently pays \$19,464 in taxes/yr. The proposed project will result in an additional tax base more than double the current tax base, and will likely triple in taxable market value.

CRW hopes to break ground in the Spring of 2018, with an anticipated completion date in the Fall of 2018. Within two years of project completion CRW anticipates hiring a minimum of 8 additional PT employees, averaging over \$12/hr.

CRW has over 300 wholesale accounts across MN, including restaurants and liquor stores. Pending project execution, CRW will execute a distributor agreement with the largest distributor of wine in WI. This will service over 100 national accounts (ie: Total Wine and Spirits, Piggly Wiggly, Festival Foods and Kroger Foods) and has the potential to deliver up to another 200 independent stores, further putting Cannon Falls, MN on the map.

CRW is currently at capacity and unable to create new products. Should they want to offer a new wine, they must omit a current revenue generating product. Due to lack of space, storage is located in two off-site locations, an adjacent, blighted, city owned building on a contaminated site, and an offsite warehouse. This project would not only allow CRW to bring all storage onsite, but will result in the complete removal of a city-owned blighted building, complete clean-up of a contaminated site, and the sale and development of a publicly owned piece of property. The tax base will more than double, and new jobs will be created.

The project will have a significant positive impact on the city, county, local business owners and MN agricultural industry (more than half of agriculture wine ingredients come from MN). There will also likely be an ADA accessible sidewalk along the river, because of this project (in discussion stages).

Exhibit C - *list names of officers and shareholders/partners with more than 5% interest in the corporation/partnership*

Cannon River Winery - Ron Stowell - 100% owner, owns business

Stowell Management LLC - Ron Stowell - 100% owner, owns building and vineyard

Exhibit D - *a but-for analysis and narrative*

The CRW expansion project will not only enhance the community and economic vitality of the City of Cannon Falls and Goodhue county, it will positively impact the region. This project will both preserve existing tax base and increase the overall tax base. Well-paying jobs will be retained, and new jobs will be created. The project will result in the removal of a blighted building, complete clean-up of a contaminated site and will bring a piece of currently publicly owned property, onto the tax rolls. The Cannon Falls EDA has already hired ATC (environmental consultant) to do the preliminary environmental work, and has authorized up to \$50,000 for site clean-up.

This project meets the following criteria as outlined in the County's policy: market demand, preliminary City Council consensus of support on a 12-year tax abatement request (County request is also 12-years), redevelops an area that has experienced both blight and contamination in downtown Cannon Falls, project preserves and adds to the county's net tax base and the development of a site that would not be redeveloped without abatement assistance. The Cannon Falls City Council has also provided preliminary support by initiating the administrative lot combination and ordinance amendment which will be required for the project to move forward.

The CRW Winery expansion project would not happen but-for the use of the city and county tax abatements. Without the 12-year abatement from the city and county, Mr. Stowell's project will not move forward in the City of Cannon Falls.

Due to longer than planned land negotiations, unknown site conditions and other factors out of Mr. Stowell's control, the cost of the project is higher than anticipated, thus the pay-as-you go abatement is even more crucial as the company moves forward to double their capacity. Additionally, due to challenging site topography, an additional \$300,000 project costs (site work, electrical, construction) were recently identified, that makes the abatement even more crucial as we look ahead to project execution and sustainability.

This nearly \$2.26M capital investment in the Cannon Falls community will directly impact and sustain (if not increase), sales of existing and surrounding businesses. It will also existing employees living in the community, and encourage new residents through the job creation anticipated by this project. Lastly, the expansion is crucial to the following businesses who recently opened/will be opening their doors in Cannon Falls: Schoolhouse Scoops, GrandStay Hospitality and Tilion Brewing Company. All three owners have indicated CRW traffic directly impacts the sustainability of their business.

Exhibit E - *if leased space, attach list of names, addresses, etc.*

N/A

Exhibit F- *legal description and PID*

Current Building: 52-100-4140

ORIGINAL PLAT ID# 2-0100-37500 PT OF MILL
BLK 3 BEG AT NW COR BLK 36
W84.90FT S120FT E84.90FT

N120FT TO BEG RECORDED
7/21/86 PT OF S 1FT OF
VACATED MILL ST DOC# 632808

EDA Property: 52-100-4160

DOC#26386 PT OF MILL BLK 3 BEGAT A PT ON S LINE MILL ST 120FT W OF NW COR OF BLK 36,

City Property: 52-100-4110 (portion)

The City of Cannon Falls will be completing all applicable land use and development applications; a new PID and legal will be provided once we have received it from the city.

Cannon River Winery
Employee Spreadsheet (Current & Future)

Position Title (i.e.: assembler, machinest, office, management, etc.)	Current FTE (quantity)	Jobs created 2 years from groundbreaking/CO	Ave. hrly cash wage rate*	Hourly value of benefits**	With benefits	
Winemaker	1	0	\$ 40.00	\$ 2.30	\$ 42.30	FT
Assistant Winemaker	1	0	\$ 20.00	\$ 2.30	\$ 22.30	FT
Cellar Worker	0	2	\$ 12.00		\$ 12.00	PT
Delivery	1	0	\$ 15.00		\$ 15.00	PT
Cook	0	1	\$ 15.00		\$ 15.00	PT
Tasting Room Manager	1	0	\$ 20.00	\$ 2.30	\$ 22.30	FT
Tasting Room Assistant Manager	0	0	\$ 17.00		\$ 17.00	PT
Tasting Room Supervisor	3	1	\$ 15.00		\$ 15.00	PT
Tasters	12	3	\$ 10.00		\$ 10.00	PT
Assistant Events Manager	0	1	\$ 17.00		\$ 17.00	PT
Events Manager	1	0	\$ 24.00	\$ 2.30	\$ 26.30	FT
Event Staff	4	0	\$ 10.00		\$ 10.00	PT
Vineyard Manager	1	0	\$ 25.00	\$ 2.30	\$ 27.30	FT
Vineyard Workers (seasonal)	3	0	\$ 12.00		\$ 12.00	PT
Wholesale Manager	2	0	\$ 24.00	\$ 2.30	\$ 26.30	FT
Cashier	1	0	\$ 10.00		\$ 10.00	FT
Senior Staff	2	0	\$ 79.00		\$ 79.00	FT
					\$ -	
					\$ -	
					\$ -	
					\$ -	
					\$ -	
Full Time	10	0				
Part Time	23	8				
TOTAL	33	8	15.35 FTE	23pt		
TOTAL FTE	25.35	28.2 FTE	FTE to be created	4.85 equivalent		

FT ave. base wage \$ 34.50
FT ave. wage \$ 36.11

Created jobs ave. wage \$ 12.63

PT ave. \$ 11.13

Hours worked per/wk

15
20
16
12
8
40
20
15
10
15

2040

* excludes benefits

**includes non-mandated benefits to employee; social security tax, unemployment insurance, workers comp and other benefeits must be excluded



CANNON RIVER
WINERY

February 21, 2018

City of Cannon Falls
ATTN: Lanell Endres, Interim City Administrator
918 River Road
Cannon Falls, MN 55009

RE: Letter of Commitment – Cannon River Winery Expansion – City of Cannon Falls- Pay-As-You Go Tax Abatement Application

Dear Ms. Endres, Mayor Robinson and City Council,

This letter is my official pledge of commitment to begin our project located at 421 Mill St. West, Cannon Falls, MN, 55009 by April 30, 2018, or, following the complete demolition and site clean-up of the existing Lee Chevrolet building (whichever is later), located in downtown Cannon Falls.

Pending no delays out of our control, we are planning on completing the 20,000 square foot expansion of our facility no later than four months after we break ground on the project.

If you have any questions or need additional information, please do not hesitate to contact Annie Deckert, at 763-453-9581.

I appreciate your time.

Respectfully,

Ronald Stowell

President & Owner of Cannon River Winery & Stowell Management, LLC



CANNON RIVER
WINERY

February 21, 2018

Goodhue County
ATTN: Ron Ziegler, Economic Development
509 West 5th Street
Red Wing, MN 55066

RE: Letter of Commitment – Cannon River Winery Expansion – Goodhue County Pay-As-You Go Tax Abatement Application

Dear Mr. Ziegler and County Commissioners,

This letter is my official pledge of commitment to begin our project located at 421 Mill St. West, Cannon Falls, MN, 55009 by April 30, 2018, or, following the complete demolition and site clean-up of the existing Lee Chevrolet building (whichever is later), located in downtown Cannon Falls.

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I appreciate your time.

Respectfully,

Ronald Stowell

President & Owner of Cannon River Winery & Stowell Management, LLC

Cannon River Winery - Machinery/Equipment List

	Name/Make/Model	qty	Cost	Total
4	Tank -3,500 gallon CAI Tank	3	\$17,900.00	\$ 53,700
5	Tank -2,500 gallon CAI Tank	4	\$14,170.00	\$ 56,680
6	Grape Processing - 2RCMA 15ton Crush	1	\$16,370.00	\$ 16,370
7	Grape Processing - Must Pump	1	\$5,405.00	\$ 5,405
8	Grape Processing - Receiving Hopper	1	\$35,970.00	\$ 35,970
9	Wine Processing - Winery Pump	1	\$3,905.00	\$ 3,905
10	Wine Processing - Sanitary Valves	-	-	\$ 3,543
11	Wine Processing - Steam Generator	1	\$9,435.00	\$ 9,435
12	Wine Processing - Gamma Jet Barrel Wa	1	\$3,049.65	\$ 3,050
13	Wine Processing - Gamma Jet Tank Wa	1	\$4,800.60	\$ 4,801
14	Wine Processing - Flow Meters	2	\$2,622.40	\$ 5,245
15	Wine Processing - Heat Exchanger for V	1	\$8,545.00	\$ 8,545
16	Wine Processing - Membrane Filters	2	\$511.00	\$ 1,022
17	Facility -US Water System Filter	1	\$5,478.00	\$ 5,478
18	Facility - Hotsy Pressure Wash System	1	\$10,550.83	\$ 10,551
19	Facility - Commercial Hot Water Syster	1	\$10,445.00	\$ 10,445
22	Felco 811 Electroportable Pruning Shee	2	\$2,050.00	\$ 4,100
				\$ 238,244.17

28	Grape Processing/7-ton Grape Press	1	\$ 35,374.00	\$ 35,374.00
29	Wine Processing - Tank Chiller Booster	1	\$35,000.00	\$ 35,000
30	Wine Processing - Cross Flow Filter	1	\$56,000.00	\$ 56,000
31	Wine Processing - Pump Over Cart	1	\$1,700.00	\$ 1,700
32	Wine Processing - Barrels/Racks			\$ 15,274
33	Wine Processing - Forklift	1	used	\$16,900.00
34	Wine Processing - Bottling Labeler	1	\$72,300.00	\$72,300.00

\$ 232,548.00
total \$ 470,792.17

Equipment Manufacturer	Date	Quotation #
Prospero	2/6/2018	NMD173279
Prospero	2/6/2018	NMD17329
Prospero	2/21/2018	NMD173729
Prospero	2/19/2018	CNM184214.00
Criveller Group	2/23/2018	18Q GC 293
Prospero	2/6/2018	NMD173279
Glacier Tanks LLC	2/20/2018	glaciertanks.com
Electro-Steam Generator Quote	12/5/2017	RIO1217-C1
Alfa Laval Inc.-Warm CC Tax	12/4/2017	2099740
Alfa Laval Inc.-Warm CC Tax	12/4/2017	2099740
GPI meters.com		GPI meters.com
Prospero	2/21/2018	NMD173729
Scott Laboratories	2/20/2018	SQ002506
Rochester Plumbing & Heating Company	12/15/2017	n/a
HotsyMinnesota.Com	12/7/2017	4181
Rochester Plumbing & Heating Company		n/a
Vineyard & Nursery Supplies	1/29/2018	email from MJ Thaden
Criveller Group	12/13/2017	17Q GC 229b
J.C. Younger Company	12/12/2017	
Winetech	9/13/2017	
Prospero	2/19/2018	CNM184214.00
Tonnellerie Nadalie US	12/19/2017	
Bennett Material Handling, Inc	2/8/2018	103-18011
Prospero	2/6/2018	NMD173279

Coulee Bank

BANK WITH CONFIDENCE

March 13, 2018

Name of Program: Tax Abatement from the City of Cannon Falls and Goodhue County

Type: The applicable entity's portion of increased taxes to be rebated to Ron Stowell/Cannon River Winery each year after payment

City of Cannon Falls
Goodhue County

To whom it may concern:

Mr. Ron Stowell and Cannon River Winery are customers in good standing with Coulee Bank since 2016. During the span of the relationship here at our bank, the client has handled its lending relationship as agreed. In addition, the related checking and other treasury management accounts here have been handled as per agreement.

Mr. Stowell has provided financial projections to us regarding plans he has made for the expansion and improvement to the business located in Cannon Falls, MN. Based upon a preliminary review of the information, the data suggest that the company has ability to service pro-forma debt obligations.

Based on the data we have received from Cannon River Winery and Mr. Stowell, the applicable entity's portion of increased taxes to be rebated to Ron Stowell/Cannon River Winery each year after payment appears to be important to making the project a reality. This letter is only an assessment of Cannon River Winery's pro-forma ability to service debt and is not reflective of a credit approval or commitment to lend by Coulee Bank. The final approval on the Reimbursement will be part of the due diligence necessary for the bank to move toward any final approval.

Sincerely,



Paul Way
Market President – St Paul
Coulee Bank

www.couleebank.net

1516 LOSEY BLVD. SO, P.O. BOX 845, LA CROSSE, WI 54602-0845 • PH 608-784-9550 • FAX 608-784-1069
590 THEATER ROAD, ONALASKA, WI 54650 • PH 608-783-6000 • FAX 608-783-6602
129 HALE DRIVE, HOLMEN, WI 54636 • PH 608-526-1635 • FAX 608-526-1496
742 GRAND AVENUE, ST PAUL, MN 55105 • PH 651-698-8100 • FAX 651-259-1233
1110 6th ST. NW, ROCHESTER, MN 55901 • PH 507-289-0137 • FAX 507-258-7925



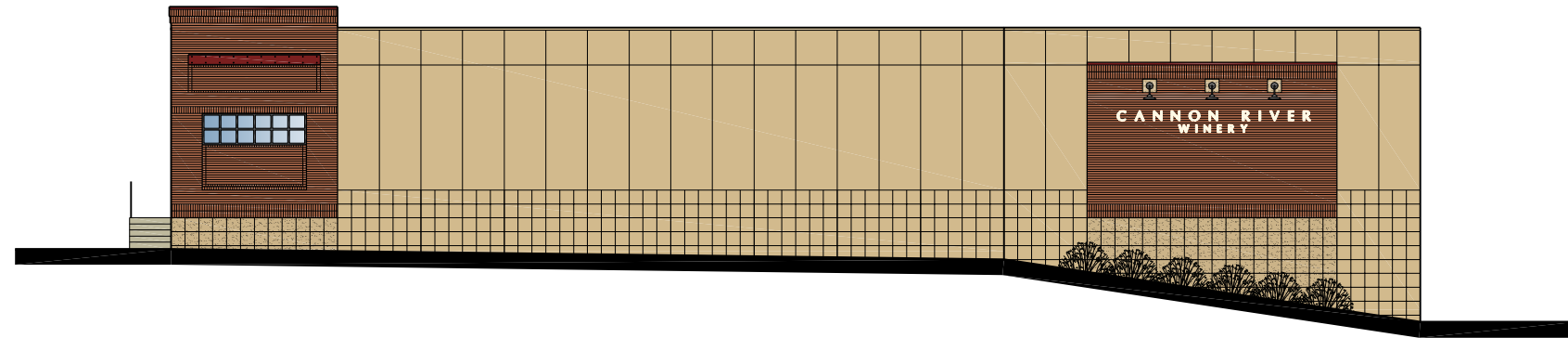
CONSTRUCTION



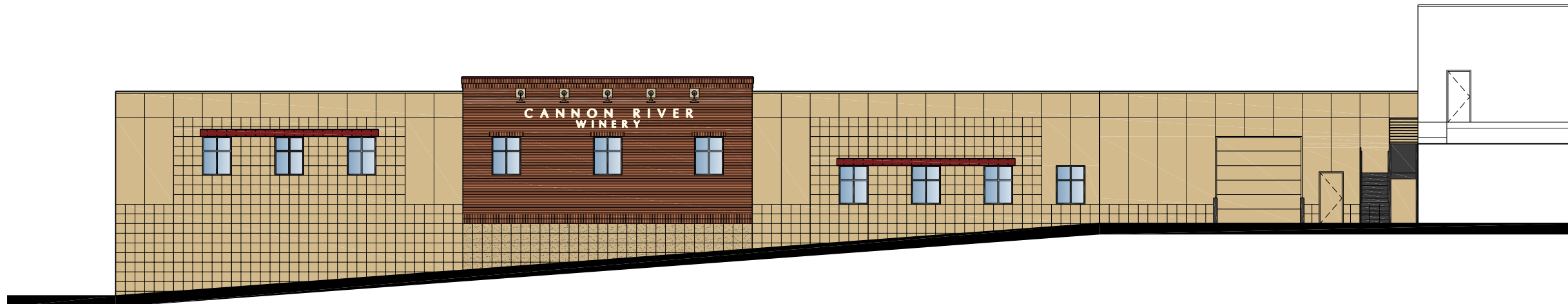
ARCHITECT



NORTH ELEVATION



WEST ELEVATION



SOUTH ELEVATION

CANNON RIVER WINERY

Cannon Falls, Minnesota

NOTE: THIS DRAWING IS FOR ILLUSTRATIVE PURPOSES ONLY. ACTUAL COLORS NEED TO BE FIELD VERIFIED.

PRELIMINARY
NOT FOR
CONSTRUCTION



Commercial Design and Construction

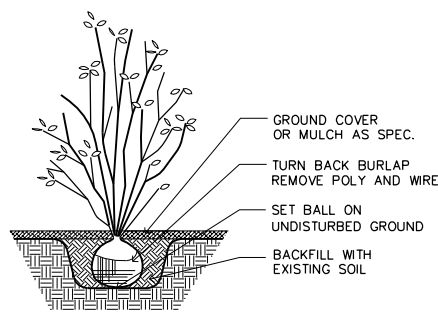
1100 Mendota Heights Road
Mendota Heights, MN 55120
Ph: 651-681-5200
Fax: 651-681-6200

CANNON RIVER WINERY
421 Mill Street W, Cannon Falls, Minnesota

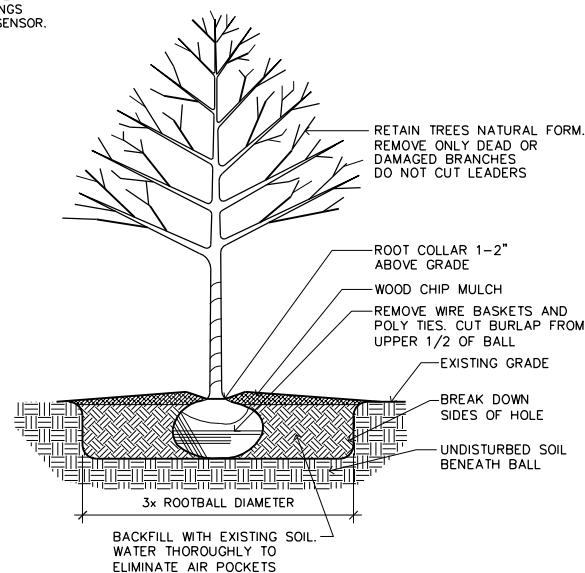
PLANTING SCHEDULE						
QTY.	KEY	COMMON NAME	BOTANICAL NAME	SIZE	MTHD	REMARKS
5	BH	BLACK HILLS SPRUCE	PICEA GLAUCA DENSATA	8' TALL	BB	
1	RS	RED SPLENDOR CRAB	MALUSxHYBRIDS 'RED SPLENDOR'	1.5" CAL.	BB	
3	GD	GARDEN GLOW DOGWOOD	CORNUS HESSI GARDEN GLOW	18"-24" TALL	CONT.	
4	KL	KOREAN LILAC	SYRINEA OLEYERZ PALIBIN	1.5" CAL.	BB	
7	FI	FALSE INDIGO	AMORPHA FRUITICOSA	24" TALL	CONT.	

LANDSCAPE NOTES:

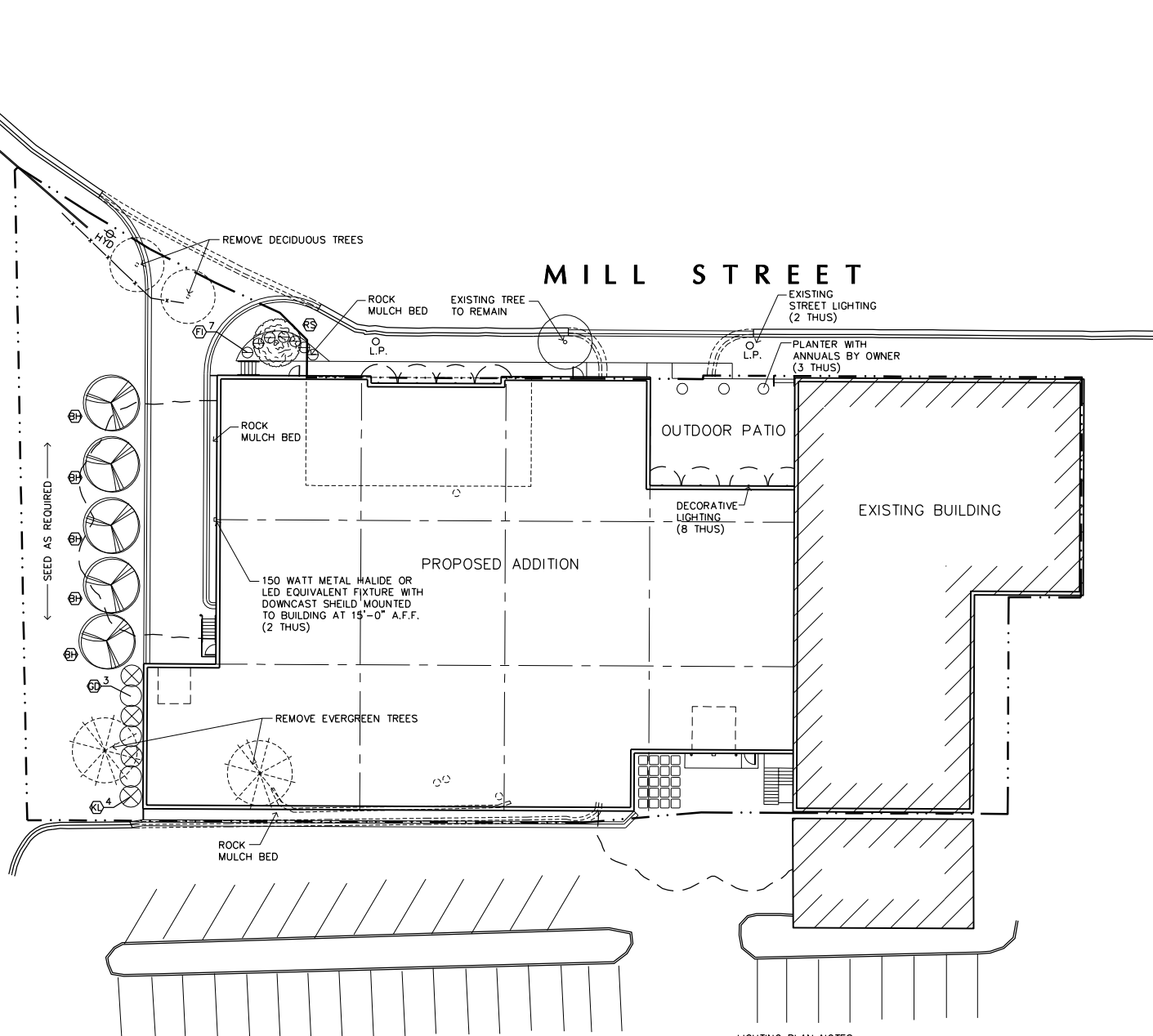
1. SEED/SOD AREAS AS SHOWN ON THE PLAN.
2. SEE PLAN FOR PLANTINGS LOCATED IN ROCK MULCH BED. ROCK MULCH BEDS SEPARATED FROM SOD BY BLACK VINYL EDGER. OTHER PLANTINGS TO HAVE WOOD MULCH RING TO PREVENT WEED GROWTH AND CONSERVE WATER.
3. UNDERGROUND IRRIGATION SYSTEM TO BE PROVIDED FOR ALL FOUNDATION PLANTINGS AND TURF AREAS. PROVIDE MOISTURE SENSOR. IRRIGATION DESIGN BY CONTRACTOR.
4. SEE PLAN FOR EXISTING TREES TO BE SAVED OR REMOVED



3 SHRUB PLANTING DETAIL
L1 SCALE: NOT TO SCALE



2 TREE PLANTING DETAIL
L1 SCALE: NOT TO SCALE



1 LANDSCAPE AND SCHEMATIC SITE LIGHTING PLAN
L1 SCALE: 1" = 20'-0"



LIGHTING PLAN NOTES:

LIGHTING SHOWN FOR SCHEMATIC PURPOSES ONLY. LIGHTING IS DESIGN BUILD BY ELECTRICAL CONTRACTOR. VERIFY SIZE, STYLE, QUANTITY, AND LOCATION WITH OWNER AND CONTRACTOR. PROVIDE LIGHTING PHOTOMETRICS IF NECESSARY AT CITY'S REQUEST. ALL LIGHTING IS TO BE SHIELDED/DIRECTED AWAY FROM ADJACENT PROPERTIES AND STREET RIGHT OF WAYS. PROVIDE EMERGENCY EGRESS LIGHTING AT ALL MAN DOORS.

Drawn By: JRB
Checked By: LL

Revisions
2/23/18 PRELIMINARY
3/7/18 CITY SUBMITTAL

LANDSCAPE
SITE LIGHTING
PLAN

Sheet Number

L1



LAMPERT ARCHITECTS

420 Summit Avenue
St. Paul, MN 55102
Phone: 763.755.1211 Fax: 763.757.2849
lampert@lampert-arch.com

ARCHITECT CERTIFICATION:
I HEREBY CERTIFY THAT THIS PLAN, SPECIFICATION OR REPORT WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DULY LICENSED ARCHITECT UNDER THE LAWS OF THE STATE OF MINNESOTA.

PRELIMINARY
NOT FOR CONSTRUCTION



Commercial Design and Construction
1100 Mendota Heights Road
Mendota Heights, MN 55120
Ph: 651-681-0200
Fax: 651-681-0225

CANNON RIVER WINERY
421 Mill Street W, Cannon Falls, Minnesota

Copyright 2018
Leonard Lampert Architects Inc.

Project Designer: JAMES B

Drawn By: JRB

Checked By: LL

Revisions

2/23/18 PRELIMINARY

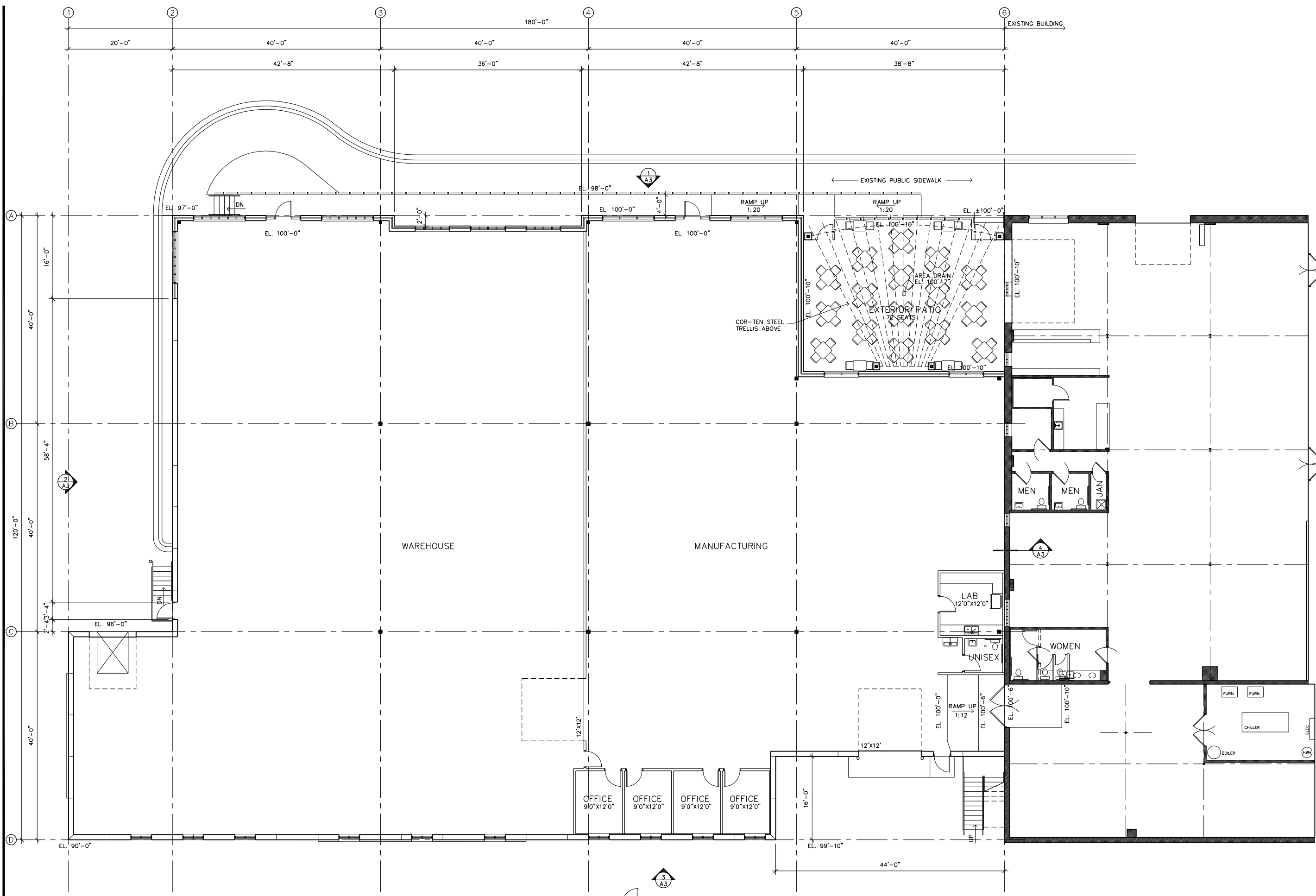
3/7/18 CITY SUBMITTAL

BUILDING ELEVATION

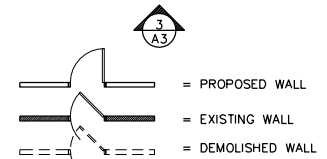
Sheet Number

A2

Project No. 170719-1



1 FLOOR PLAN
A2 SCALE: 1/8" = 1'-0"



Filename: CANNON RIVER WINERY\CANNON RIVER WINERY-A2

Goodhue County Economic Development Authority

Goodhue County Government Center
509 W. 5th St.
Red Wing, MN

Staff: Phone: Ron Zeigler - 651-764-
4342
Email: ron.zeigler@cedausa.com

April 12, 2018

To: Goodhue County EDA Commissioners & Staff
From: Ron Zeigler, CEDA
RE: County-wide Housing Study

Background:

In the last half of 2017, the Goodhue County EDA hosted a Summit with the subject matter being housing. The Summit ended with quite a few of the attendees interested in continuing the discussion, furthering the research as to the needs and hearing from more people involved in this crucial topic.

One discussion point that has been inquired about from representatives of the City of Goodhue is the need/interest for a county-wide housing study. CEDA Team Member Donna Mack serving as the City of Goodhue EDA staff has completed a preliminary discussion with representatives of other cities within the County with interest being shown.

Recommendation:

It is recommended by staff to direct staff to complete further research on this subject matter and to report back at the next EDA Commissioners meeting with an outline of thoughts, ideas and proposed investment and by who. This research would include hosting a meeting of the cities within the County as well as the Red Wing HRA and SEMMCHRA.

Action required:

- If the Board wishes to accept the recommendation, it would be appropriate to pass a motion directing staff to complete research in regards to a county-wide housing study.

Please feel free to forward any questions that you may have so that we can provide the answers to you.