

**BOARD OF COMMISSIONERS' PROCEEDINGS, GOODHUE COUNTY, MN
MAY 1, 2018**

The Goodhue County Board of Commissioners met on Tuesday, May 1, 2018, at 9:00 a.m. in the County Board Room, Government Center, Red Wing, MN with Commissioners Anderson, Majerus, Nesseth, and Drotos were all present. C/Allen was absent.

C/Majerus asked if there were any disclosures of interest. There were none.

¹ Moved by C/Drotos, seconded by C/Anderson, and carried to approve the April 17, 2018, County Board Minutes.

² Moved by C/Anderson, seconded by C/Majerus, and carried to approve the May 1, 2018, County Board Agenda.

³ Moved by C/Anderson, seconded by C/Majerus, and carried to approve the following items on the consent agenda as amended:

C/Drotos requested to remove item #1. *Approve the 2017 County Feedlot Officer (CFO) Annual Report* from the consent agenda for discussion.

- 1.
2. Approve the Gambling Application for Dawnbreaker's Kiwanis.
3. Approve 2017 Box Culvert Contract Change.
4. Approve 2018 Seal Coat Contract Change.
5. Approve the 2018 Federal Supplemental Boating Safety Patrol Grant.
6. Approve the out-of-state travel request to South Dakota for the MOCIC meeting.

Approve the 2017 County Feedlot Officer (CFO) Annual Report. C/Drotos questioned the number of violations that were presented in the report and asked if anyone had concerns or if there was any additional information available especially with the upcoming public hearing with feedlots. Staff would reach out to the feedlot officer and request that an explanation be sent to the board. C/Majerus clarified that the upcoming public hearing had nothing to do with feedlots.

⁴ Moved by C/Anderson, seconded by C/Majerus, and carried to approve the 2017 County Feedlot Officer (CFO) Annual Report.

COUNTY ADMINISTRATOR'S REPORT

Public Hearing Request for Tax Abatement- Stowell Management, LLC/Cannon River Winery Tax Abatement. This issue was discussed at a previous EDA Board meeting. Stowell Management, LLC/Cannon River Winery submitted a tax abatement application for assistance with the expansion into properties owned by the City of Cannon Falls and the Cannon Falls 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. New payroll dollars excluding ownership dollars are to be \$117,520. The applicant is asking for \$137,952 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 \$1,000 application fee has been received. The abatement process requires a public hearing.

⁵ Moved by C/Anderson, seconded by C/Majerus, and carried to approve to open the public hearing.

C/Majerus asked three times for public comment. There was none.

⁶ Moved by C/Anderson, seconded by C/Drotos, and carried to approve to close the public hearing.

⁷ Moved by C/Anderson, seconded by C/Majerus, and carried to approve the following resolution authorizing tax abatement of property within Goodhue County for the purpose of assisting the construction expansion of the Cannon River Winery/Stowell Management, LLC in Cannon Falls, Minnesota:

WHEREAS, the Board of Commissioners of Goodhue County, Minnesota (the "County"), has held a public

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hearing on May 1, 2018, on the proposed abatement, pursuant to Minnesota Statutes, Sections 469.1812 through and including 469.1815, to assist with the improvement costs associated with the construction expansion of the Cannon River Winery/Stowell Management, LLC, within the City of Cannon Falls, Minnesota; and

WHEREAS, the County Board has proposed to abate up to 100% per year of the increase in property tax payable due to the increase in property value attributed to the funded improvements, for a period of up to 12 years, up to a maximum cumulative total of \$137,952 of the County share of new property taxes generated by development on the following parcel commencing with taxes assessed for 2019 and payable in the year 2020:

Parcel I.D. # 52.100.4160, 52.100.4140, 52.100.2370
Legal description:

WHEREAS, the County Board expects that the public benefits derived by the use of tax abatement to the County to be at least equal to the costs associated with granting the abatement:

WHEREAS, the County Board finds that the proposed abatement is in the best interest of the County and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners, Goodhue County, Minnesota, as follows:

1 Abatement. The Board of Commissioners hereby authorize the abatement of up to 100% per year of the increase in property tax payable due to the increase in property value attributed to the funded improvements, for a period of up to 12 years, up to a cumulative maximum of \$137,952 of the County share of new property taxes generated by development on the following parcel commencing with taxes assessed for 2019 and payable in the year 2020:

Parcel I.D. # 52.100.4160, 52.100.4140, 52.100.2370
Legal description:

2 Purpose. The abatements will be used to assist with the improvement costs associated with the construction expansion of the Cannon River Winery/Stowell Management, LLC within the City of Cannon Falls, Goodhue County, Minnesota.

3 Public Benefit. The proposed abatements will benefit the public by:

- a) increasing the property tax base of the County and
- b) providing employment opportunities in the County of 4.85 FTE positions over the next 12 years with a minimum hourly wage of \$12.83 with an annual increase of payroll wages of at least \$117,520 excluding owners compensation.
- c) additional private investment by the company.

4 Documents. County staff is hereby directed to prepare all necessary documents to perfect this Resolution including, but not limited to a Development Agreement and a Minimum Assessment Agreement. The Board Chair is hereby authorized to sign said documents.

Public Hearing Request for Tax Abatement- Zumbrota Sales. Zumbrota Sales LLC submitted a Tax Abatement Application for assistance with infrastructure 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.

The tax abatement application has gone through two EDA subcommittee meetings, the Goodhue County EDA Board

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has reviewed and recommended to the Goodhue County Commissioners to set the required public hearing.

⁸ Moved by C/Anderson, seconded by C/Drotos, and carried to approve to open the public hearing.

C/Majerus asked three times for public comment. There was none.

⁹ Moved by C/Nesseth, seconded by C/Anderson, and carried to approve to close the public hearing.

¹⁰ Moved by C/Anderson, seconded by C/Majerus, and carried to approve the following resolution authorizing tax abatement of property within Goodhue County for the purpose of assisting the infrastructure costs for the new construction of the Zumbrota Sales LLC dealership in Zumbrota, Minnesota:

WHEREAS, the Board of Commissioners of Goodhue County, Minnesota (the "County"), has held a public hearing on May 1, 2018, on the proposed abatement, pursuant to Minnesota Statutes, Sections 469.1812 through and including 469.1815, to assist with the infrastructure costs associated with the development of the Zumbrota Sales LLC Dealership, within the City of Zumbrota, Minnesota; and

WHEREAS, the County Board has proposed to abate up to 100% per year of the increase in property tax payable due to the increase in property value attributed to the funded improvements, for a period of up to 15 years, up to a maximum of \$56,000 of the County share of new property taxes generated by development on the following parcel commencing with taxes assessed for 2019 and payable in the year 2020:

Parcel I.D. # 72.389.0010 & 72.389.0020
Legal description:

WHEREAS, the County Board expects that the public benefits derived by the use of tax abatement to the County to be at least equal to the costs associated with granting the abatement:

WHEREAS, the County Board finds that the proposed abatement is in the best interest of the County and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners, Goodhue County, Minnesota, as follows:

1 Abatement. The Board of Commissioners hereby authorize the abatement of up to 100% per year of the increase in property tax payable due to the increase in property value attributed to the funded improvements, for a period of up to 15 years, up to a maximum of \$56,000 of the County share of new property taxes generated by development on the following parcel commencing with taxes assessed for 2019 and payable in the year 2020:

Parcel I.D. # 72.389.0010 & 72.389.0020
Legal description:

2 Purpose. The abatements will be used to assist with the infrastructure costs and site preparation costs associated with the construction/development of the Zumbrota Sales LLC Dealership within the City of Zumbrota, Goodhue County, Minnesota.

3 Public Benefit. The proposed abatements will benefit the public by:

- d) increasing the property tax base of the County and
- e) providing employment opportunities in the County of 25 FTE positions over the next 15 years with an average hourly wage of \$24.00 with annual payroll of \$1.77 million.
- f) additional private investment by the company

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4 Documents. County staff is hereby directed to prepare all necessary documents to perfect this Resolution including, but not limited to a Development Agreement and a Minimum Assessment Agreement. The Board Chair is hereby authorized to sign said documents.

Public Hearing Request for Tax Abatement- Zumbrota Vet Clinic. 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 \$35,000 and being estimated as \$5,000 per year for seven years, which will most likely not happen and the \$35,000 will be reached in year eight.. 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.

The Zumbrota Vet Clinic Tax Abatement Application has gone through two EDA subcommittee meetings, the Goodhue County EDA Board has reviewed and recommended to the Goodhue County Commissioners to set the required public hearing

11 Moved by C/Drotos, seconded by C/Nesseth, and carried to approve to open the public hearing.

C/Majerus asked three times for public comment. There was none.

12 Moved by C/Anderson, seconded by C/Majerus, and carried to approve to close the public hearing.

13 Moved by C/Nesseth, seconded by C/Majerus, and carried to approve the following resolution authorizing tax abatement of property within Goodhue County for the purpose of assisting the new construction expansion of the Zumbrota Vet Clinic in Zumbrota, Minnesota:

WHEREAS, the Board of Commissioners of Goodhue County, Minnesota (the "County"), has held a public hearing on May 1, 2018, on the proposed abatement, pursuant to Minnesota Statutes, Sections 469.1812 through and including 469.1815, to assist with the improvement costs associated with the expansion development of the Zumbrota Vet Clinic, within the City of Zumbrota, Minnesota; and

WHEREAS, the County Board has proposed to abate up to 100% per year of the increase in property tax payable due to the increase in property value attributed to the funded improvements, for a period of up to 15 years, up to a maximum of \$35,000 of the County share of new property taxes generated by development on the following parcel commencing with taxes assessed for 2019 and payable in the year 2020:

Parcel I.D. # 72.389.0050

Legal description: Lot 2, Block 2; Jacobson Commercial Park

WHEREAS, the County Board expects that the public benefits derived by the use of tax abatement to the County to be at least equal to the costs associated with granting the abatement:

WHEREAS, the County Board finds that the proposed abatement is in the best interest of the County and its residents.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners, Goodhue County, Minnesota, as follows:

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1 Abatement. The Board of Commissioners hereby authorize the abatement of up to 100% per year of the increase in property tax payable due to the increase in property value attributed to the funded improvements, for a period of up to 15 years, up to a maximum of \$35,000 of the County share of new property taxes generated by development on the following parcel commencing with taxes assessed for 2019 and payable in the year 2020:

Parcel I.D. # 72.389.0050
Legal description: Lot 2, Block 2; Jacobson Commercial Park

2 Purpose. The abatements will be used to assist with the land acquisition and site preparation costs associated with the expansion construction/development of the Zumbrota Vet Clinic within the City of Zumbrota, Goodhue County, Minnesota.

3 Public Benefit. The proposed abatements will benefit the public by:

- g) increasing the property tax base of the County and
- h) providing employment opportunities in the County of 2 FTE positions over the next 15 years with a minimum hourly wage of \$15.00 and increase from a part-time veterinarian to one full-time veterinarian position with an expected hourly wage rate of \$60.00.
- i) additional private investment by the company

4 Documents. County staff is hereby directed to prepare all necessary documents to perfect this Resolution including, but not limited to a Development Agreement and a Minimum Assessment Agreement. The Board Chair is hereby authorized to sign said documents.

COMMITTEE REPORTS:

C/Drotos	<ul style="list-style-type: none"> • High Speed Rail Commission. Opportunity Zones in Goodhue County.
C/Neseth	<ul style="list-style-type: none"> • Tour of Maple Island in Wanamingo.
C/Anderson	<ul style="list-style-type: none"> • South Country Health Alliance in Washington DC.
C/Majerus	<ul style="list-style-type: none"> •
C/Allen	<ul style="list-style-type: none"> •
Administrator Arneson	<ul style="list-style-type: none"> •

New Business. Patrol Commander Paul Gielau with the Sheriff's Department updated the board on the missing person in Lake Pepin.

Review and approve county claims.

13 Moved by C/Anderson, seconded by C/Majerus, and carried to approve to pay the County claims in the amount of 01-General Revenue \$278,626.42, 03-Public Works \$68,880.22, 11- Human Service Fund \$19,263.74, 21-ISTS \$00, 25- EDA \$00, 30-Capital Improvement \$00, 31-Capital Equipment \$00, 34-Capital Equipment \$22,050.55, 35-Debt Services \$37,267.77, 40-County Ditch \$00, 61-Waste Management \$3,331.09, 62-Recycling Center \$00, 63-HHW \$00, 72-Other Agency Funds \$95,377.60, 81-Settlement \$2,131.21, in the total amount of \$526,928.60.

14 Moved by C/Anderson, seconded by C/Majerus, and carried to approve to adjourn the May 1, 2018, County Board Meeting.

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SCOTT O. ARNESON
COUNTY ADMINISTRATOR



JASON MAJERUS, CHAIRMAN
BOARD OF COUNTY COMMISSIONERS

MINUTE

1. Approved the April 17, 2018 County Board Meeting Minutes. (Motion carried 4-0)
2. Approved the May 1, 2018 County Board Meeting Agenda. (Motion carried 4-0)
3. Approved the Consent Agenda as amended. (Motion carried 4-0)
4. Approved to open the public hearing. (Motion carried 4-0)
5. Approved to close the public hearing. (Motion carried 4-0)
6. Approved a tax abatement for Cannon River Winery. (Motion carried 4-0)
7. Approved to open the public hearing. (Motion carried 4-0)
8. Approved to close the public hearing. (Motion carried 4-0)
9. Approved a tax abatement for Zumbrota Sales. (Motion carried 4-0)
10. Approved to open the public hearing. (Motion carried 4-0)
11. Approved to close the public hearing. (Motion carried 4-0)
12. Approved a tax abatement for Zumbrota Vet Clinic. (Motion carried 4-0)
13. Approved the county claims. (Motion carried 4-0)
14. Approved to adjourn the May 1, 2018 County Board Meeting. (Motion carried 4-0)