

PROCEEDINGS OF THE
MARTIN COUNTY BOARD OF COMMISSIONERS
TUESDAY, MAY 20, 2014
@ 9:00 A.M.

The regular meeting of the Martin County Board of Commissioners was called to order at 9:00 a.m. by Chairman Dan Schmidtke.

Commissioners present were Steve Pierce, Steve Donnelly, Steve Flohrs, Elliot Belgard, and Dan Schmidtke. Also present were Scott Higgins, Martin County Coordinator, James Forshee, Martin County Auditor/Treasurer, Judy Bryan, Sentinel Newspaper, Terry Viesselman, Martin County Attorney, Kevin Peyman, Martin County Highway Engineer, Julie Walters, Administrative Assistant, and members of staff and public.

Motion by Commissioner Pierce, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the May 20, 2014 regular Board of Commissioners meeting with the following additions: 8.10 Consider Temporary Full-time Corrections Officer Positions – Martin County Sheriff’s Office; and 8.11 Consider Resignation of LuAnn Akers – Martin County Sheriff’s Office. Carried unanimously.

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve the minutes of the April 15, 2014 regular Board of Commissioners meeting. Carried unanimously.

Miranda Rosa, FMJ Drug Court Coordinator, Greg Brolsma, Fairmont Chief of Police, and Judge Robert Walker were present to provide information and request consideration to apply for a Jail Re-entry Grant to decrease criminal activity and reduce recidivism.

Rosa stated the Martin County Mental Health Collaborative has been meeting to find out what we can do to better serve the criminal justice population because sadly our jails have become the treatment centers of the world. Rosa went on to state when an inmate is discharged from jail, a lot of them fall flat on their face because they don’t have a plan in place. They want to change their life, but they don’t know how.

Brolsma noted having a coordinator in place to help with housing, mental health contacts and employment might help break the cycle of returning prisoners. Brolsma went on to note that other counties have tried such programs with success.

Walker noted we have a revolving door in that there are such a high percentage of cases when the Martin County Corrections Officers know the inmate(s) by their first name. Walker went on to note that Steele and Stearns counties both have a jail re-entry program with Steele County recognizing a \$500,000 savings by not having to jail repeat offenders.

Much discussion ensued with Commissioners questioning who would be responsible or in charge of the program; length of program/grant period; chances of receiving this grant; office space for coordinator of program; and what costs the county could endure.

After discussion,

Motion by Commissioner Belgard, seconded by Commissioner Donnelly, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the Martin County Mental Health Collaborative to move forward with determining feasibility and possible application for Jail Re-entry Program grant funds. Carried unanimously.

Billeye Rabbe, Director Prairieland Solid Waste Management, was present to request Board approval to adopt the joint Faribault-Martin County Solid Waste Management Plan for planning and practicing environmentally sound methods of managing solid waste. Rabbe noted the Plan was noticed and available for public comment for thirty days and that period ended April 9, 2014 in Martin County and April 14, 2014 in Faribault County.

Motion by Commissioner Pierce, seconded by Commissioner Flohrs,

R-#29/'14

A RESOLUTION TO APPROVE AND ADOPT THE JOINT FARIBAULT-MARTIN
COUNTY SOLID WASTE MANAGEMENT PLAN

WHEREAS, the legislature of the State of Minnesota requires that Minnesota's counties develop a Solid Waste Management Plan in accordance with Minn. Stat. §§ 115A.46; 115A.471; 115A.551, subds. 6-7; 115A.552; 115A.557, subd. 2-3; 115A.63; 115A.84; 115A.914; 115.96, Subd.6-7; 115A.917; 115A.97; Minn. Rules 9215 and all other applicable statutes and rules; and

WHEREAS, Minnesota counties recognize the need to plan for and practice environmentally sound methods of managing their solid waste stream;

WHEREAS, in 1989, the legislature of the State of Minnesota enacted legislation to require that Solid Waste Management Plan's be amended to include the requirements in Minn. Stat. §§ 115A.551, 115A.914 and 115A.96, Subd. 6 (1991); and

WHEREAS, Martin County recognizes the need to plan for and implement waste reduction, recycling, education, yard waste, source separated organic materials composting, special and problem material waste management strategies, and processing of MSW;

NOW, THEREFORE, BE IT RESOLVED, that the Martin County Board of Commissioners hereby approves and adopts the Joint Faribault-Martin County Solid Waste Management Plan and supporting documentation, dated May 20, 2014.

BE IT THEREFORE FURTHER RESOLVED, that Martin County agrees to maintain and implement the Plan as required by Minn. Rules pt. 9215.0530, subp. 1 and 2.

BE IT THEREFORE FURTHER RESOLVED, that the Martin County Board of Commissioners submits this document to the Commissioner of the Minnesota Pollution Control Agency pursuant to applicable Minnesota laws and rules.

Adopted this 20th day of May, 2014 by the Martin County Board of Commissioners.

Dan Schmidtke, Martin County Board Chairman

Attest: _____
Jim Forshee, Martin County Auditor / Treasurer

Roll Call AYES: Commissioners Flohrs, Belgard, Pierce, Donnelly, and Schmidtke. NAYS: None. Resolution duly passed and adopted this 20th day of May, 2014.

Kevin Peyman, Martin County Engineer, presented a Highway Department Update regarding the recent fire at the Dunnell shop. Peyman noted Minnesota Counties Intergovernmental Trust (MCIT) insurance adjusters have been to the Dunnell shop to view the building, contents and equipment, and sent out a fire origin specialist that determined the fire started in the motorgrader starter solenoid. Peyman went on to note MCIT has issued a check in the amount of \$6,000.00 for the building contents (mainly small tools); and that Hertzke Construction Company and Tech Builders have been contacted for pricing to either gut the building, chemically treat all the metal and then rebuild; or if the building has to come down and start over. Peyman noted otherwise the Highway Department is conducting normal spring and early summer road maintenance.

Kristie Gaalswyk, 4-H Program Coordinator, was present to invite commissioners to judge the 2014 4-H Container Garden Challenge at the Martin County Fair.

Higgins stated the Martin County Extension Committee recommended the hire of a 4-H Summer Assistant for the Martin County 4-H Program. Higgins went on to state an applicant has been offered the position and recommends authorizing the hire contingent on background checks that are satisfactory to the county.

Motion by Commissioner Flohrs, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the hire of a 4-H Summer Assistant with the University of Minnesota Extension/Martin County Office (temporary summer position) up to 40 hours per week, not eligible for full-time benefits, to be reimbursed by the Martin County 4-H Federation; and is contingent upon background checks that are satisfactory with Martin County. Carried unanimously.

Tom Maday, landowner, was present and stated he was granted an Assessment Deferral for rolling over 223 acres of farmland into WCA program (JD #28 Center Creek Township). Maday went on to state had been given until January 1, 2014 to record an easement on his property for JD #28 or he would be placed back on the assessment roll; and for several reasons beyond his

control the US Fish and Wildlife has not held up their end of the bargain with Maday and the easement has not been recorded. Maday requests an extension to the assessment deferral until fall of 2014.

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize an Assessment Deferral Request Extension effective through October, 2014 for Tom and Jean Maday for recording an easement on their property for rolling over 223 acres of farmland into WCA Program (JD #28 Center Creek Township). Carried unanimously.

Corey Klanderud, Chief Deputy Martin County Sheriff's Office, and Jeff Markquart, Martin County Sheriff, were present to inform the Board that one of the state Department of Corrections (DOC) 2911 Rules is that there cannot be more than 14 hours between a substantial evening meal and breakfast for inmates; and that the Martin County Jail currently operates on a three meals per day Monday through Friday and brunch and supper schedule which is currently averaging at around a 16 hour window between meals on the weekends. Klanderud noted due to an inmate complaint the Martin County Jail needs to decrease those 16 hours between meals in order to be back in compliance with the 14 hour rule, which means either providing an evening snack on Friday and Saturday nights; serving three meals per day on Saturday and Sunday; or rearrange the meal times for DOC compliance. However, to meet the 14 hour limit between meals, the evening meal would have to be served by 6:00 p.m. with brunch at 8:00 a.m., and still leaving a significant gap between meals.

Klanderud noted adding a third meal on Saturdays and Sundays will cost the county an additional \$10,400.00 per year (for an estimated 25 inmates at \$4.00 per meal); and an additional \$5,200.00 for adding a snack on Friday and Saturday evenings.

After discussion,

Motion by Commissioner Pierce, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby authorize adding a Friday and Saturday evening snack for Martin County Jail inmates for compliance with Department of Corrections (DOC) meal schedule requirements. Carried unanimously.

Higgins reviewed the revised job description for the corrections officer position(s) in the Martin County Sheriff's Office. Higgins noted the job description has been revised to more accurately reflect the essential functions of the job.

Motion by Commissioner Belgard, seconded by Commissioner Donnelly, Be It Resolved that the Martin County Board of Commissioners, hereby approve the revised job description (May 2014) for the Corrections Officer position(s) in the Martin County Sheriff's Office as presented; which more accurately reflects the objective and essential functions of the position. Carried unanimously.

Klanderud next requested approval for two temporary full time corrections officers due to operating with one full time employee out on medical leave and one resignation forcing a lot of

part time and overtime hours. Klanderud requests that Mike Schultz and Drew Strom, both part time corrections officers, be moved to temporary full time status for up to three months.

Higgins stated the Board has done this previously; and the hourly wage changes from \$15.96/hour to \$18.57/hour in addition to PTO accrual, not eligible for full time benefits.

Motion by Commissioner Flohrs, seconded by Commissioner Pierce, Be It Resolved that the Martin County Board of Commissioners, due to a medical leave and resignation of full time corrections officers, hereby approve Mike Schultz, part time corrections officer, and Drew Strom, part time corrections officer, be moved to temporary full time corrections officer status for up to a three month period at \$18.57/hour, and accrual of Paid Time Off during the time period, not eligible for full time benefits, with the exception of PTO accrual starting at 0-4 year accrual rate, effective upon approval. Carried unanimously.

Klanderud stated the Sheriff's Office has received the resignation of LuAnn Akers, communications officer, and asks the Board to do the same.

Motion by Commissioner Belgard, seconded by Commissioner Donnelly, Be It Resolved that the Martin County Board of Commissioners, hereby approve and accept the resignation of LuAnn Akers, full time communications officer for the Martin County Sheriff's Office effective May 31, 2014. Carried unanimously.

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize recruitment to fill the position of full time communications officer with the Martin County Sheriff's Office. Carried unanimously.

Klanderud and Markquart updated the Board on the upgrade to Windows 7; and quote for final phase of Next Gen service.

Markquart concluded with an update on the current Martin County Jail population stating there are twenty-two (22) in house; nine (9) in Faribault County; and four (4) on Electronic Home Monitoring.

Terry Viesselman, Martin County Attorney, was present and stated he had nothing new to report; then did comment on the expense for juvenile out of home placements.

Chairman Schmidtke opened the public hearing for consideration of a Business Subsidy Plan.

Higgins reviewed the Board will be conducting a public hearing for the consideration and adoption of a Business Subsidy Plan and use of property tax abatement for the purpose of financing a portion of the infrastructure costs related to the construction of a new commercial development (Trimont Town Center Project) in the City of Trimont, Minnesota. Higgins noted the annual amount of the county tax abatement would not exceed approximately \$4,160.00 per year; and would be provided over a period of up to twenty (20) years. Higgins went on to note the City of Trimont and community leaders have been working on this project to bring additional

retail services to the community. The City of Trimont has indicated its willingness to install public infrastructure (water, sewer, storm sewer) necessary to serve the project and pledged its future property tax revenue from the project as a means of repayment for the bonds issued by the City of Trimont to fund the infrastructure costs. Higgins stated the Board first considered a Business Subsidy Plan back in 2010 and went on to state that the county attorney has reviewed the draft policy which lists the criteria when granting any kind of subsidy to projects in the county, including an evaluation policy which you will be looking for, and then a review and evaluation procedure.

Chairman Schmidtke opened the meeting for public comments on the proposed Business Subsidy Plan.

Chairman Schmidtke opened up the public portion of the hearing for citizen input. There were two citizens present and neither one had comment; and no comments were received in writing with regard to the Business Subsidy Plan.

Motion by Commissioner Pierce, seconded by Commissioner Flohrs, to close the public portion of the hearing.

Motion by Commissioner Pierce, seconded by Commissioner Donnelly, to approve Martin County's Business Subsidy Plan.

MARTIN COUNTY

BUSINESS SUBSIDY POLICY

The following business subsidy criteria are intended to satisfy the requirements of Minnesota Statutes 116J.993 through 116J.995, as amended (the "Act"). The term "County" means Martin County. The term "project" means the development or property with respect to which the business subsidy is provided. The term "business subsidy" means all financial assistance deemed to be a "business subsidy" pursuant to Section 116J.993, subd. 3 of the Act.

A. MANDATORY CRITERIA

All projects must comply with the following criteria:

1. *"But-For" Test.* There is a substantial likelihood that the project would not go forward without the business subsidy. This criterion may be met based solely on representation of the recipient of the business subsidy.
2. *Public Purpose.* The business subsidy must meet a public purpose which may include, but may not be limited to, increasing the tax base. Job retention may only be used as a public purpose in cases where job loss is specific and demonstrable. Suggestions for business subsidy public purposes are set forth in Exhibit A.
3. *Jobs and Wages Goals.* Projects provided a business subsidy must create at least 1 full-time

equivalent job. The wage floor for wages to be paid for the jobs created shall be not less than 150% of the State minimum wage in effect at the time the subsidy is granted. The County will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section. Where job loss is specific and demonstrable, the project may meet the Jobs and Wages Goals by retaining jobs at the project. If the County finds that creation or retention of jobs is not a goal for a particular project, the Jobs and Wages Goals may be set at zero.

4. Economic Feasibility. The recipient must demonstrate to the satisfaction of the County that it has adequate financing for the project and that the project will be completed in a timely fashion.

5. Compliance With Act. The business subsidy from the County must satisfy all requirements of the Act.

B. PROJECT REVIEW AND EVALUATION POLICY

1. The County recognizes that the creation of livable-wage jobs is a desirable goal which benefits the community. Nevertheless, not all projects assisted with subsidies derive their public purposes and importance solely by virtue of job creation. In addition, the imposition of high job creation requirements and high wage level requirements may be unrealistic and counter-productive in the face of larger economic forces, and the financial and competitive circumstances of an individual business. In determining the requirements for a project under consideration for a business subsidy, the determination of the number of jobs to be created and the wage levels therefor will be guided by the following principles and criteria:

a. Each project will be evaluated on a case by case basis. The evaluation will take into consideration the project's importance in and benefit to the community from all perspectives, including created or retained jobs.

b. If a particular project does not involve the creation of jobs, but is nonetheless found to be worthy of support and subsidy, assistance may be approved without any specific job or wage goals, provided that the County documents in writing the reasons for deviating from the Jobs and Wage Goals set forth in Section A of this policy.

c. In cases where the objective is the retention of existing jobs, the recipient of the subsidy will be required to provide evidence demonstrating that the loss of those jobs is imminent.

d. The setting of wage and job goals will be informed by (i) prevailing wage rates, (ii) local economic conditions, (iii) external forces over which neither the County nor the recipient of the subsidy has control, (iv) the financial resources of the recipient and (v) the competitive environment in which the recipient's business exists.

2. Because it is not possible to anticipate all the needs and requirements of every type of project and the ever-changing needs of the community and in order to retain the flexibility

necessary to respond to all proposed projects, the County retains the right to approve projects and business subsidies which may vary from the principles and criteria set forth herein. The reasons for deviations from the business subsidy criteria set forth herein will be documented in writing.

3. Certain financial assistance provided by the County may be exempted from this policy pursuant to Section 116J.993, subd 3 of the Act.

C. PROJECT REVIEW AND EVALUATION PROCEDURE

The County will consider one or more of the criteria listed in this Section C in determining whether to provide financial or other assistance to a project as a business subsidy. In applying the criteria to a specific project, the following will apply;

1. The County may consider the requirements of any other business subsidy received, or to be received, from a grantor other than the County.

2. If the business subsidy is a guaranty, the amount of the business subsidy may be valued at the principal amount of the guaranteed payment obligation.

3. If the business subsidy involves the conveyance of real or personal property at a write-down, the amount of the subsidy will be difference between the conveyance price and the fair market value of the property as determined by the County.

4. If the business subsidy is received over time, the County may value the subsidy at its present value using a discount rate equal to an interest rate which the County determines is fair and reasonable under the circumstances.

D. PROJECT REVIEW AND EVALUATION CRITERIA

1. *Jobs and Wages.* Each project granted a business subsidy must meet the Jobs and Wages Goals described in this policy within two years of the benefit date. As used herein "benefit date" means the date the business subsidy is received. If the business subsidy involves the purchase, lease, or donation of physical equipment, then the benefit date occurs when the recipient puts the equipment into service. If the business subsidy is for improvements to property, then the benefit date refers to the earlier of (i) when the improvements are finished for the entire project, or (ii) when a business occupies the property (upon receipt of a certificate of occupancy).

2. *Continued Operation of Project.* Each project granted a business subsidy must continue its operations at the site of the project for at least five years following the benefit date.

3. *Increase in Tax Base.* The County will consider the net increase in property taxes estimated to be generated by the project in the first full year of operation. The creation of tax base cannot be the sole public purpose for a business subsidy.

4. *Land Use.* The County will consider:

- a. Marginal Property. Whether the project is located on property which needs but is not likely to be developed or redeveloped because of blight or other adverse conditions of the property. For example, property may be so blighted that the cost of making land ready for redevelopment exceeds the property fair market value.
 - b. Design and/or Other Amenities. Whether, as a result of the business subsidy, the project will include design and/or amenity features not otherwise required by law. For example, the project may, at the request of the County, include landscaping, open space, public trails, employee work out facilities or day care facilities which serve a public purpose but are not required by law.
 - c. Highest and Best Use. Whether the project will encourage and promote the highest and best use of land.
5. Impact on Existing and Future Public Investment. The County will consider:
- a. Utilization of Existing Infrastructure Investment. Whether and to what extent (i) the project will utilize existing public infrastructure capacity and (ii) the project will require additional publicly funded infrastructure investments.
 - b. Direct Monetary Return on Public Investment. Arrangements made or to be made for the County to receive a direct monetary return on its investment in the project. For example, the business subsidy may be in the form of an interest bearing loan or may involve a project sharing arrangement.
6. Economic Development. The County will consider:
- a. Leveraged Funds. The amount of the business subsidy to be provided for the project as compared to the amount of private funds which will be applied towards the capital cost of the project.
 - b. Spin Off Development. The dollar amount of nonsubsidized development the project is expected to generate in the surrounding area and the need for and likelihood of such spin off development.
 - c. Growth Potential. Based on the recipient's market studies and plans for expansion, whether and to what extent the project will produce a net increase of full-time equivalent jobs and of payroll, over and above the minimum number of jobs and wages set forth in Section A above.
7. Quality of Life. The County will consider:
- a. Community Services. Whether the project will provide services in the community and the need for such services. For example, the project may provide health services, retail convenience services such as a nearby grocery store, or social services needed in the community.

- b. Unmet Housing Needs. Whether the project will provide housing alternatives the County currently needs but which are not available.
- 8. Other.
 - a. Other Factors. Depending on the nature of the project, the County will consider such other factors as the County may deem relevant in evaluating the project and the business subsidy proposed for it.

E. BUSINESS SUBSIDY AGREEMENTS.

The terms and conditions of all business subsidies shall be documented in writing in an agreement between the County and the recipient of the business subsidy.

Adopted by the Board of Commissioners of Martin County on May 20, 2014
Date of Public Hearing of Board of Commissioners: May 20, 2014

EXHIBIT A

SUGGESTIONS FOR SUBSIDY PUBLIC PURPOSES

Grantors may wish to consider any of the following public purposes, among others, when considering an applicant's request:

1. Increasing the tax base may be used as a public purpose as long as it is not the only public purpose.
2. Job retention may only be used in cases where job loss is specific and demonstrable.
3. The project provides a service or meets a consumer need not currently addressed in the County.
4. The project represents a significant investment in an area of the County that is economically depressed.
5. The project will remove blighting influences or rehabilitate an area of the County in need of revitalization.
6. The project will stimulate additional capital investment in a geographic area of the County and act as a catalyst for future (re)development.
7. The project will cause surrounding property values to increase and will stabilize the area.
8. The project will anchor a needed commercial center for the County.
9. The project will enhance the viability of other businesses in the County.
10. The project will assist in the processing, packaging, distribution, or marketing of agricultural products grown in the region.
11. The project will assist in the orderly growth of the County and generate significant economic spin off.
12. The project will prevent the closure of business needed in the community due to merger, physical expansion, change in market or economic factors, downsizing, and other factors.
13. The project will employ a classification of people in the community at large who are not fully employed.

14. A business subsidy will permit the project to employ more people, pay higher wages, be of better quality, or in some way be of more value to the County.

Roll Call AYES: Commissioners Belgard, Flohrs, Donnelly, Pierce, and Schmidtke. NAYS: None. Resolution duly passed and adopted this 20th day of May, 2014.

Chairman Schmidtke opened the public hearing for consideration of a Proposed Tax Abatement and approving a Business Subsidies Agreement for Certain Property in Martin County.

Shannon Sweeny, Associate with David Drown Associates Inc. Public Finance Advisors, stated ultimately the City of Trimont asked me to become involved in their project which was to figure out a way to finance infrastructure that would serve the Town Center Project. The Town Center Project is a community non-profit corporation that was created to try to expand retail services in the community, particularly I think there has been a focus on grocery and is expanding what's available; they looked at it as a critical component of what they needed in their community to be vital and to continue going forward. And so one of the hurdles that they had in front of them was the site that was selected required the extension of water, sewer, and storm sewer services and that costs a little more than \$300,000. Today when financed with interest it's going to be over a \$400,000 endeavor.

Sweeney went on to state the Town Center Project itself could not afford to fund 100% of that extension and asked the City of Trimont to be involved. And we looked at different mechanisms for the City funding that and the one that we looked at as the most appropriate in this instance was use of tax abatement. What tax abatement is, is the capture of new property taxes that will be paid by the project and using those new property taxes for the benefit of the project. If it is constructed as conceived presently it will generate a little more than \$20,000 per year in city property taxes and a little more than \$4,000 per year in county property taxes. What we're intending to do is use those new property taxes to pay debt service on bonds that would be issued to fund the water, sewer, and storm sewer that would serve that portion of the community. So that's our plan and that's why we made this request to the county and that request is ultimately to rebate to the city your portion of the property tax for a period of twenty (20) years. I know that is a long period of time and originally we were using a much shorter term; however, the valuation on the facility is much lower than the construction costs. I think that's understandable given its location in the county. But ultimately that means we needed a longer collection period in order to pay these bonds off. Plain and simple that's just how it works. We're not collecting anything extra or additional that's used for administration. In fact the City is probably going to be kicking in a little extra money to make these payments beyond what just the tax collections are because right now I'm projecting that the tax collections won't be sufficient to make 100% of the bond payments. And so it is an important and necessary component to finance this infrastructure.

Sweeney continued in order to do this we have an agreement that we've assembled that is before you for consideration at this public hearing. An agreement outlines that 20 year term and sets a cap of \$4,160 on your amount of participation annually. It does not require you to obligate any funds above and beyond that. You're not obligated to the bond issue. If they don't pay taxes you're not responsible to reimburse the City for anything – and the City will continue to make

those bond payments. So you're not taking the same level of risk as the City in this endeavor; but we are asking you to contribute because it is a significant component of paying for this project. And again it's the taxes simply derived from the project. If their tax goes down your obligation becomes less...it's that simple. We aren't asking you to obligate any more than what they're paying in property taxes. And for that hopefully we have something that's viable and ongoing in the City of Trimont that expands the retail offerings that are available in the community which is important. I've been impressed by the grassroots effort. I attended a public meeting probably a year and a half ago and I bet there was 80 or 90 people there and when asked if they were willing to commit their property taxes in order to do this project I don't think there was one naysayer in the audience. So they are very supportive. If eventually over the next couple of months the project doesn't get off the ground again you're not going to be obligated to do anything. There has to be a building there paying property taxes in order for the County to have to do anything to be a part of this project. We're not asking you to take risk up front, or to go out on a limb; simply reimburse the taxes as they are paid by this facility for a period of time. With that I'm more than happy to answer questions from you or the public regarding the agreement that's before you.

Chairman Schmidtke opened the meeting for public comments on the proposed Trimont Town Center Business Subsidies Agreement.

Commissioner Belgard inquired if the City of Trimont is committed to the entire property tax of \$20,000.

Sweeney answered yes; they have already approved an abatement resolution committing them to the project and at their next meeting they'll be holding their hearing to authorize execution of the agreement.

Terry Viesselman, Martin County Attorney, stated he has reviewed and approves the resolution and agreement as to content and form. Viesselman went on to state if the Board approves the resolution granting both the property tax abatement and the signing of the Business Subsidies Agreement, the Board is supposed to make specific findings which you can refer as set forth in the proposed resolution.

Chairman Schmidtke opened up the public portion of the hearing for citizen input. There were two citizens present and neither one had comment; and no comments were received in writing with regard to the Proposed Tax Abatement and approving a Business Subsidies Agreement for Certain Property in Martin County.

Motion by Commissioner Flohrs, seconded by Commissioner Pierce, to close the public portion of the hearing.

Motion by Commissioner Pierce, seconded by Commissioner Donnelly, to approve Martin County Resolution No. 27/'14 approving a Business Subsidy Plan Policy,

MARTIN COUNTY

RESOLUTION NO. 27/'14
RESOLUTION APPROVING BUSINESS SUBSIDY POLICY

BE IT RESOLVED By the Board of Commissioners (the "Board") of Martin County (the "County") as follows:

Section 1. Recitals.

1.01. Before awarding any "business subsidy" as defined in Minnesota Statutes, Section 116J.993 to 116J.995, as amended (the "Business Subsidy Act"), the County is required to adopt criteria regarding such subsidies after holding a public hearing.

1.02. The Board has now determined to approve a Business Subsidy Policy containing such criteria in accordance with requirements of the Business Subsidy Act.

1.03. The Board has reviewed the Business Subsidy Policy on file at the County courthouse, and has on the date hereof held a duly noticed public hearing, at which all interested persons were given an opportunity to be heard.

Section 2. Business Subsidy Policy Approved.

2.01. The Board approves the Business Subsidy Policy in substantially the form on file at the County courthouse, subject to modifications that do not alter the substance of the Policy and that are approved by the Chair and Coordinator of the County.

2.02. County staff is authorized to transmit a copy of the Business Subsidy Policy to the Minnesota Department of Employment and Economic Development in accordance with the Business Subsidy Act.

Approved by the Board of Commissioners of Martin County this 20th day of May, 2014.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Dan Schmidtke, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Pierce, Donnelly, Belgard, Flohrs, and Schmidtke. NAYS: None. Resolution duly passed and adopted this 20th day of May, 2014.

Motion by Commissioner Flohrs, seconded by Commissioner Belgard, to approve Martin County Resolution No. 28/'14 Granting a Property Tax Abatement and Approving a Business Subsidies Agreement for Certain Property in Martin County,

MARTIN COUNTY, MINNESOTA

RESOLUTION NO. 28/14

**RESOLUTION GRANTING A PROPERTY TAX
ABATEMENT AND APPROVING A BUSINESS SUBSIDIES
AGREEMENT FOR CERTAIN PROPERTY IN THE
COUNTY**

BE IT RESOLVED by the Board of Commissioners (the “Board”) of Martin County (the “County”) as follows:

Section 1. Recitals.

1.01. The County has received a request from the City of Trimont (the “City”) to grant a property tax abatement (the “Abatement”) pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815 (the “Act”) for the benefit of Town Center, Inc., a nonprofit corporation incorporated under the laws of the State of Minnesota (the “Developer”), in connection with the construction of a grocery and gasoline facility (the “Project”) located on certain property in the City and County, as described in Exhibit A attached hereto (the “Property”).

1.02. On April 21, 2014, the City Council of the City conducted a duly noticed public hearing on additional property tax abatement proposed to be provided by the City, and unanimously approved the City abatement.

1.03. This Board has reviewed information concerning the above-referenced Project, including a Business Subsidies Agreement (the “Development Agreement”) proposed to be entered into by the County, the City, and the Developer. The Development Agreement is incorporated herein by reference.

1.04. On the date hereof, the Board of Commissioners of the County conducted a duly noticed public hearing on the Abatement proposed to be granted by the County to the Developer pursuant to the Development Agreement. The views of all interested persons were heard at the public hearing.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this Resolution.

2.02. It is hereby found and determined that the benefits to the County from the Abatement will be at least equal to the costs to the County of the Abatement, because (a) the County believes that the development to be facilitated is not reasonably likely to occur absent the Abatement provided by the County and the City, and (b) the long-term taxes collected from the Property after termination of the Abatement will far exceed the amount of the Abatement returned to the Developer.

2.03. It is hereby found and determined that the Abatement is in the public interest because such action will increase the tax base and result in the availability of additional services in the City and County.

2.04. It is further specifically found and determined that the Abatement provided to the Developer by the County and the City is expected to result in the following public benefits:

- (a) Creation of an estimated \$785,000 increase in market value for property tax purposes, which will be available to all taxing jurisdictions after expiration of the Abatement.
- (b) Provision of increased retail services for City and County residents.
- (c) Creation of an estimated 2 jobs paying a livable wage within the City and County.

2.05. The Board further finds and determines that the Abatement complies with the County's Business Subsidy Policy as approved on the date hereof (the "County Policy") for the following reasons:

- (a) The Board has made the required findings under Section 469.1813, subdivision 1 of the Abatement Act as described above.
- (b) The Board has considered the criteria outlined in the County Policy and has evaluated the proposed Abatement based on the factors listed in such County Policy.

Section 3. Actions Ratified; Abatement Approved; Development Agreement Approved.

3.01. The Board hereby ratifies all actions of the County's staff and consultants in arranging for approval of this Resolution in accordance with the Act.

3.02. Subject to the provisions of the Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

- (a) The term "Abatement" means the real property taxes generated in any tax-payable year by extending the County's total tax rate for that year against the tax capacity of the Project and the Property in accordance with the Development Agreement, excluding the initial tax capacity of the land as of January 2, 2014 for tax-payable year 2015.
- (b) The Abatement will be transferred by the County to the City, and the City will apply the Abatement to pay a portion of the debt service on certain general obligation abatement bonds (the "Bonds") on the dates and in accordance with all the terms and conditions of the Development Agreement and related bond documents.
- (c) In accordance with Section 469.1813, subdivision 8 of the Act, in no year shall the Abatement, together with all other abatements approved by the County under the Act and paid in that year exceed the greater of 10% of the net tax capacity of the County for that year or \$200,000 (the "Abatement Cap"). The County may grant any other

abatements permitted under the Act after the date of this Resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatement granted pursuant to this Resolution.

(d) The Abatement shall commence in the first tax-payable year after the County Assessor's market value of the Property reflects the market value of the completed Project.

(e) In no event shall the payment of Abatement to the Developer exceed a principal amount of \$83,200, or continue for more than twenty (20) years. The County currently estimates that it will pay an annual abatement of \$4,160 over twenty years, but the actual amount may vary depending on the finalized market value of the Property each year and corresponding tax rates.

(f) The Abatement is subject to modification in accordance with the Act, subject to the terms of the Development Agreement.

(g) In accordance with Section 469.1815 of the Act, the County will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this Resolution.

(h) The County makes no warranties or representations regarding the amount or availability of the Abatement.

(i) The Abatement shall be provided to the City pursuant to the terms and conditions of the Development Agreement as approved by the Board.

3.03. The Development Agreement is hereby in all respects authorized, approved and confirmed, and the Chairperson and County Administrator are hereby authorized and directed to execute and deliver the Development Agreement for and on behalf of the County in substantially the form now on file with the County but with such modifications as shall be deemed necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.

Section 4. Implementation. The Chair and the County Coordinator are authorized and directed to execute and deliver any agreements, certificates or other documents that the County determines are necessary to implement this Resolution.

Section 5. Effective Date. This Resolution is effective upon execution in full of the Development Agreement.

Approved by the Board of Commissioners of Martin County, Minnesota, this 20th day of May, 2014.

**BOARD OF COMMISSIONERS
MARTIN COUNTY, MINNESOTA**

Dan Schmidtke, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

EXHIBIT A TO ABATEMENT RESOLUTION

THE PROPERTY

PID Numbers:

39-040-0160
39-105-0050
39-040-0020

Roll Call AYES: Commissioners Pierce, Donnelly, Belgard, Flohrs, and Schmidtke. NAYS: None. Resolution duly passed and adopted this 20th day of May, 2014.

Higgins stated the Personnel Committee has met and recommends recruitment to fill the vacancy for a full time Administrative Assistant II position in the Probation Office.

Motion by Commissioner Flohrs, seconded by Commissioner Donnelly, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize recruitment for a full time Administrative Assistant II position in the Martin County Probation Office. Carried unanimously.

Higgins stated the 2014 Board of Equalization meeting is scheduled for Tuesday – June 17, 2014 at 6:30 p.m. and that typically the Board has changed their meeting time to later in the day to more closely meet with the scheduled Board of Equalization meeting.

Motion by Commissioner Pierce, seconded by Commissioner Donnelly, Be It Resolved that the Martin County Board of Commissioners, hereby approve changing the time of the regular County Board meeting scheduled for Tuesday – June 17, 2014 from 9:00 a.m. to 5:00 p.m. to more closely meet with the scheduled 2014 Board of Equalization meeting which is scheduled for 6:30 p.m. Carried unanimously.

Motion by Commissioner Flohrs, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve payment of claims for the month of May, 2014 as presented; and includes the Martin County Highway Department bills as presented and Drainage Administration bills as presented. Carried unanimously.

Warrants received and paid May 20, 2014 are registered on file in the Auditor/Treasurer's Office as follows:

| | |
|---|--------------------|
| Revenue Fund – Warrants Approved May 20, 2014 | \$157,640.59 |
| Recreation and Safety Fund | \$ 303.95 |
| Martin Co. Economic Development Authority | \$ 1,164.50 |
| Solid Waste Management Fund | \$ 27,902.65 |
| Law Library Fund | \$ 2,114.42 |
| Martin County Transit Fund | \$ 52,034.85 |
| County Attorney’s Forfeiture | \$ 540.00 |
| Recorder’s Compliance | \$ 3,100.10 |
| Martin County Area Redevelopment Fund | \$ 27,498.67 |
| Ind. Sewage Treatment System Loans | \$ 25,167.48 |
| Bank Building Fund | <u>\$ 9,354.64</u> |
| Total | \$306,821.85 |

| | |
|-----------------------------------|--------------|
| Road and Bridge Funds Totaled | \$ 49,172.27 |
| Martin County Ditch Funds Totaled | \$ 43,964.07 |

Commissioners reviewed the following reports and information:

- CY2015 Preliminary Department Budget Request Packet
- Invitation to EMS Week Open House on Tuesday, May 20th
- AMC’s Spring District Meeting Agenda – Wednesday – May 28th
- South Central Services Cooperative Board of Directors meeting minutes of May 7, 2014
- Circulation Technician II Recruitment – Martin County Library

Commissioners presented their individual board member reports.

Commissioner Flohrs stated he attended a Martin Soil and Water Conservation District meeting on May 8, 2014; Personnel Committee meeting and Fairmont City Council meeting on May 12, 2014; Library Board meeting on May 13, 2014; Department Directors meeting and Human Services Exec. Board meeting on May 14, 2014; Prairieland meeting on May 16, 2014; and Minnesota Valley Action Council on May 19, 2014.

Commissioner Belgard stated in addition to those mentioned he attended a Regional Mn/DOT Transit meeting with Faribault County on May 8, 2014.

Commissioner Pierce stated he had nothing new to add.

Commissioner Donnelly stated in addition to those mentioned he attended a Drug Court ceremony on May 6, 2014; GBERBA meeting in Mankato, MN on May 9, 2014; City Council meeting on May 12, 2014; and Prairieland meeting on May 16, 2014.

Commissioner Schmidtke stated he had nothing new to add.

Commissioners reviewed their calendars of upcoming meetings and activities: May 20, 2014 – EMS Open House and Agri Business meeting this evening at The Ranch Restaurant at 6:00 p.m.; May 21, 2014 – Human Services meeting in Fairmont and State Auditors Exit meeting at 10:30 a.m.; May 22, 2014 – South Central EMS meeting; May 27, 2014 – Planning and Zoning

meeting at 5:30 p.m.; May 26, 2014 – Memorial Day Holiday, Courthouse Closed; May 28, 2014 – AMC Spring District Meeting and South Central Minnesota Multi County HRA meeting at 5:45 p.m. in Mankato, MN; June 2, 2014 – Regional Minnesota Energy Board tour by LeSueur, MN, regular EDA Board meeting at 5:15 p.m., and Beyond The Yellow Ribbon meeting; and June 3, 2014 – regular Board of Commissioners meeting at 9:00 a.m. in the Board Room.

With no further business to wit, Board Chair adjourned the meeting at 10:35 a.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Dan Schmidtke, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator