

**Board Minutes of the
Martin County EDA
August 5, 2019**

The regular meeting of the Martin County Economic Development Authority was called to order by Brent Schultze at 5:15pm. Those present were: Larry Baarts, Steve Fosness, Wes Anderson, and Tom Mahoney. Absent: Tim Terfehr and Elliot Belgard. Present for Commissioner Belgard was Commissioner Tom Mahoney. Also present were Scott Higgins, Bryan Stading, RCEF, Linsey Pruess, Coordinator FEDA, Jason Sorenson, Reporter Fairmont Sentinel, Bill Eckles, BevComm Inc.

Motion by Fosness, seconded by Baarts to approve the agenda as presented. Carried unanimously.

Motion by Fosness, seconded by Baarts to approve the minutes of June 3, 2019 regular EDA Board meeting. Carried unanimously.

Eckles informed the board of the broadband project for the installation of broadband infrastructure within Martin County for high speed, reliable, broadband services in the Huntley area, which includes part of Martin County and informed the Board that BevComm is putting together their application for the state Border to Border grant through the Minnesota Department of Employment and Economic development (DEED) Office of Broadband- for the project. The project will bring fiber to the home to 55 homes in the area. The total estimated cost for the project is \$500-\$600,000. Eckles stated that the EDA is being asked to financially participate in a grant application with BevComm and requested for a loan in the amount of \$10,000 to help defray engineering costs for the project. Eckles further stated with local government participation enhances the grants receives points for projects with local government participation shown in the grant application.

Higgins stated that neither the EDA nor the county have a loan program and therefore not able to provide a loan. However, it has been referred to the County Attorney's Office for his review.

After further discussion,

Motion by Mahoney, seconded by Fosness Be It Resolved that the Martin County EDA, approves and recommends to the Martin County Board of Commissioners to provide financial contribution of \$10,000 as a loan to the project, if applicable, and to be included in BevComm's 2019 Border to Border Broadband Grant application through the Minnesota Department of Employment and Economic development (DEED) Office of Broadband; upon the grant being awarded to BevComm, for the installation of broadband infrastructure within Martin County for high speed, reliable, broadband services; and in areas of the county as proposed by BevComm. Carried unanimously.

Pruess presented a proposal to provide for tax abatement for multifamily housing units, stating that the last multifamily housing project built in Fairmont was in 1979. An effort is being made to provide incentives for construction of new owner occupied and multifamily rental residential

housing units within the City of Fairmont. There is a shortage of housing options available for our current residents and those who are interested in relocating in Fairmont. The proposals includes the applicant for abatement may be eligible for 100% tax abatement of the City of Fairmont, County and Fairmont School District's share of the increased real estate taxes as a result of building newly constructed housing or homes, for a period of 10 years, including the following criteria and that the property is located within City of Fairmont and is zoned properly for the proposed development project that the project is built to any and all applicable zoning and building codes adopted at the time the building/zoning permit is obtained, property taxes are current and paid on time and in full. Failure to keep property taxes current shall result in revocation of the tax abatement for each year taxes are not current, Program approvals must be obtained prior to the start of construction of the new housing/home.

Pruess stated that there are similar tax abatement programs in Worthington, Albert Lea and Austin, MN.

Fosness inquired if this would work for two or more units. Pruess responded in the affirmative.

Koons stated there is a housing shortage and that this would be something we would need to implement countywide. This should include single housing as well.

Gunther stated that the State could help set up such a proposal and possible assistance through Minnesota Housing Finance agency.

Koons stated that Welcome, Sherburn and Trimont are short of housing as well. This seems the way to go.

Mahoney stated we have done abatement and is an important part of financing and really not out anything if we do it.

Schultze stated that it does make sense and should look at extending to single family housing as well.

Pruess stated that FEDA determined not to include single family housing and did not think adding tax abatement for single family housing was necessary due to the number of homes built in Fairmont in the last few years.

Pruess indicated that those requesting tax abatement still need to go through the approval process at each government entity.

Fosness inquired if it should be a one-time transfer.

Schultze inquired what would be the downfall.

Pruess responded that not sure what the downfall would be and would need to look at it.

Motion by Fosness, seconded by Anderson Be It Resolved that the Martin County EDA recommend and support the concept and proposal for countywide tax abatement on construction of new multifamily housing and construction of new single family housing; and to establish a Committee to include two members of the EDA board formulate a policy; and to bring back to the EDA Board for consideration. Carried unanimously.

Pruess informed the board that CHS is proposing to invest \$100 million into the existing CHS soybean facility in Fairmont, which includes replacement equipment and construction of five additional buildings and expansion of two existing buildings. As a result of the new expansion there will be six new jobs created in CHS headquarters located in Inver Grove Heights and two new jobs created at the facility in Fairmont. CHS is requesting a 10 year tax abatement, which equates to, not to exceed, \$42, 393 annually, and at total abatement over the ten years of \$423, 930 for the county's portion only.

Anderson stated his concerns with the number of additional employees (at the local facility)

Mahoney inquired if this is an expansion of their processing.

Pruess stated in the affirmative.

After further discussion,

Motion by Anderson, seconded by Fosness Be It Resolved that the Martin County EDA hereby supports and recommends to the Martin County Board of Commissioners the CHS request for a 10 year tax abatement for the County's share in the estimated amount of \$423, 930 over the ten year period; for the construction of five additional buildings and expansion of two existing buildings, that would be eligible for the tax abatement. Carried unanimously.

Stading reviewed the June and July 2019 business consultation report with the Board. For June 2019 there were a total of five (5) facilitation sessions for a total of 25 hours. For July 2019 there was a total of six (6) facilitation sessions for a total of 14 hours.

Stading gave an update on recent discussions with a bio gas company wanting to produce methane gas from hog or dairy manure and working to get make contact in the region.

Higgins stated the Board is aware RCEF received a grant in the amount of \$150,000 per year for two years for state fiscal year 2020/2021. The grant requires a dollar for dollar match. The services to be provided are to include the counties of Martin, Blue Earth, Brown, Watonwan, Waseca, Faribault, LeSuer, Nicollet, and Sibley. The eligible expenses include to payment of overhead expenses pre-venture assistance individuals starting a business and services for underserved populations, agriculture businesses and students.

The grant legislation requires a host entity (county or higher ed.) and to serve as the fiscal agent for the grant money. RCEF has focused on Martin County be the host county for RCEF. The EDA Board is being asked to consider and ratify a Letter of Intent that the County will serve as the Host County and recommendation for approval by County Board. There are many details of

the grant requirements yet to be discussed along with expectations between RCEF and the County as the host county.

Be It Resolved that Martin County Economic Development Authority approve and ratify the Letter of Intent; and to recommend to the Martin County Board of Commissioners for approval, that Martin County serve as the Host County for RCEF; and fiscal agent to administer the legislative grant funds allocated to RCEF (2019 Legislative Session) in the amount of \$150,000/year for the state fiscal years 2020 and 2021. Carried unanimously.

Belgard inquired that as a host county the idea is to employ RCEF staff and to provide benefits.

Mike Hahn, Director of the SBDC and Bobby Fleishman, Associate Vice President of the MSU were present to present and review a proposal to provide business related services for 2020 in the amount of \$40,000 to Martin County. The proposal would include on site consultation two days per month, five Consulting Café dates to be held throughout the county on Saturday mornings, which would provide consultant from a variety of business specialties to consult with entrepreneur or those in business; and to allow Martin County Business to access Bizlink North. The duration of the proposal is from October 1, 2019-September 30, 2019.

Hahn stated we are asking for whatever support you can give to the SBDC.

The board briefly discussed the proposal and will take the proposal under consideration. Schultze stated that this was sizable request.

Motion by Koons, seconded by Anderson to receive and file the request. Carried unanimously.

Higgins presented and reviewed the CY2020 EDA preliminary budget request with the board stating that the proposed revenues are proposed at \$175,165, which equates to tax levy of \$75,165 and proposed expenditures of \$175,165. The preliminary budget included an increase in \$100,000 for Professional/Technical Services, which included a \$100,000 in revenue expected from state grant received by RCEF; also increase in promotions in the amount of \$2,500 for a total proposed expenditure in the amount of \$175,165.

After review, it was recommended to reduce the proposed budget by \$2,500 from the promotional line item; and to reduce the Professional/Technical line item by \$6,000 for a total proposed preliminary budget in the amount of \$168,596, which results in no levy increase for the CY2020 EDA preliminary budget request.

Motion by Baarts, seconded by Anderson Be It Resolved that the Martin County Economic Development Authority hereby approve and recommend to the Martin County Board of Commissioners the proposed CY2020 preliminary budget in the amount of \$168,596 in expenditure and revenue in the amount of \$168,596, which equates to the tax levy of \$68,596. Carried unanimously.

Higgins presented and reviewed the bills for approval and ratification for June 3, 2019-August 5, 2019 in the amount of \$1,796.22.

Motion by Mahoney, seconded by Anderson to ratify the bills for June 3, 2019-August 5, 2019 in the amount of \$1,796.22. Carried unanimously

The Board reviewed the June and July 2019 Year to Date financial reports, with a listed EDA July 2019 fund balance of \$294,870.01.

Motion by Fosness, seconded by Baarts to receive and file the EDA April 2019 monthly financial reports. Carried unanimously.

Higgins reviewed the following information included in the board packets; Martin County Fair Booth signup; and Higgins stated that the Board has discussed holding the next board meeting in City of Ceylon, MN as part of the Board's outreach program.

Motion by Mahoney, seconded by Fosness to approve and set the next Martin County EDA meeting in City of Ceylon, MN at City Hall as part of the EDA's Outreach program, starting at 6:00pm. Carried unanimously.

Koons stated concerns of the Frontier Communications countywide broadband project and the need to have Frontier address various areas that need to repair landscaping where the fiber as installed, particularly in South Silver Lake area, Sherburn area and the City of Northrop.MN. Higgins stated w would contact Frontier Communications to set up a meeting to review the various areas that need to repair landscaping where Frontier had installed fiber. The next board meeting is scheduled for September 10, 2019 at 6:00pm to begin at the City Hall of Ceylon, MN as part of the EDA's Outreach program to local communities.

With no further business to wit,

Motion by Koons, seconded by Anderson to adjourn the meeting. Carried unanimously.

Meeting adjourned at 6:28pm

Brent Schultze, Board President

Larry Baarts, Board Secretary/Treasurer