



STEELE COUNTY BOARD AGENDA

Administration Center – 630 Florence Avenue – Owatonna, MN 55060

Steele County's Mission- Exceptional Public Service

Thursday, April 23, 2020 at 10:00 A M
County Boardroom, Steele County Administration Center

Persons with background material for agenda items are asked to provide them to the Administrator's Office 5 days prior to the meeting date so that the material can be linked to the online agenda. If handouts at the Board meeting are necessary, please bring enough copies for the Board, county staff, the press and the public. Generally, 15 copies should be sufficient.

Agenda

1. Call to Order
2. Pledge of Allegiance
3. Approve Agenda

Public Comment

Due to the Governor's Emergency Executive Order directing Minnesotans to Stay at Home along with the public health recommendations for COVID-19 pandemic social distancing, this meeting will be closed to the public for in-person attendance at the meeting place.

If any member of the public would like to make a public comment at the Board meeting, please email your name, address and comments to the Steele County Administrator at sgolberg@co.steele.mn.us by Wednesday, April 22nd, 1:00 p.m. Comments will be addressed to the Board as a whole and not one Commissioner. The Board may not take action on an item presented during the Public Comment period, unless the item is already on the agenda for action. When appropriate, the Board may refer inquiries and items brought up during the Public Comment period to the County Administrator

The meeting will be streamed live online and available for public viewing on the Steele County Facebook page and at this link: <http://www.owatonnalive.com/SC-Board-Meetings.html>.

Correspondence

4. City of Owatonna – Letter to Auditor, Development District No. 14 Report, & Tax Increment Financing District No. 14-1 report (Page 3)

Consent Agenda - *Items listed on the Consent Agenda are considered routine and non-controversial by the County Board. There will be no separate discussion of these items unless requested by a member of the County Board.*

5. Approve April 10, 2020 Special Board Meeting Minutes (Page 30)
6. Approve Journal Entries (page 34)
7. Accept Resolution for Public Health Donations (Page 37)

General

8. Approve GIS Grant: Next Generation 911 for OT hours for GIS Coordinator (Page 40)
9. Resolution – Abate Penalty on Late Property Tax Payments (Page 42)

Commissioner Reports

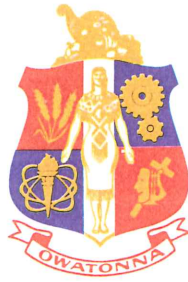
Next Meeting Notices:

County Board Meeting – May 12, 2020 at 5:00 p.m. in the Boardroom

Adjourn

Disclaimer: This agenda has been prepared to provide information regarding an upcoming meeting of the Steele County Board of Commissioners. This document does not claim to be complete and is subject to change.

THE CITY OF



OWATONNA

540 West Hills Circle
Owatonna, MN 55060-4794
Ph. (507) 444-4300
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[Via Email]

April 17, 2020

Laura Ihrke
County Auditor
630 Florence Ave
Owatonna, MN 55060-2913

Dear Ms. Ihrke:

On Tuesday, May 19, 2020 at 7:00 p.m., the Owatonna City Council will conduct a public hearing on the plans for Development District No. 14 and Tax Increment Financing District No. 14-1, which are proposed as a city development district and a redevelopment tax increment financing district. You are cordially invited to attend the public hearing on this proposal. The City of Owatonna proposes creating a development district and a tax increment financing district, which facilitates redevelopment of private property with a 36-unit affordable workforce, rental apartment project.

Minnesota Statutes, section 469.175, subdivision 2, require that before formation of a tax increment financing district, the City shall provide the county auditor with the proposed tax increment financing plan for the district and the City's estimate of the fiscal and economic implications of the proposed tax increment financing district. The City must provide the proposed tax increment financing plan and the information on the fiscal and economic implications of the plan to the county auditor at least 30 days before the required public hearing. In accordance with this provision, please find attached the City's estimate of the fiscal and economic implications of the proposed district and plans for Development District No. 14 and Tax Increment Financing District No. 14-1.

If you have questions on the above, please contact me.

Respectfully,

Troy Klecker

Troy Klecker
Director of Community Development

**ESTIMATE OF FISCAL AND ECONOMIC IMPLICATIONS OF
PROPOSED TAX INCREMENT FINANCING DISTRICT NO. 14-1, OWATONNA, MN**

Project Description: The City of Owatonna proposes creating a development district and a tax increment financing district, which facilitates property redevelopment with a 36-unit affordable workforce, rental apartment project.

Probable Impacts: The proposed project nominally increases demands on municipal police, fire and infrastructure services; consequently, the City is willing to accept the increased demands in order to facilitate development of additional housing within the community. Furthermore, the anticipated impact of withholding tax capacity generated by the new development for the duration of the district will have negligible effect on the City's ability to borrow funds or on the City's bond rating.

Type of TIF District: Redevelopment.

District Duration: Not to exceed twenty-five years after the date of receipt of the first tax increment.

Fiscal Impact: Information on the following table provides an estimate of tax revenue each jurisdiction could expect to receive if the development occurred without tax increment assistance. However, it has been determined that this project will not proceed unless it receives its anticipated funding package, part of which is tax increment assistance. Assumptions used in the table include: (1) the 2020 local tax rates of 60.457% (county), 62.481% (city), 40.015% (school district) and 162.953% (total) are used to estimate the increment; (2) based upon current budget assumptions, the City believes that the District will pay all eligible project costs with tax increment received in tax years payable 2022 through 2047. The statutory duration of the District is through 2047, and the City will permit the District to exist through the statutory duration should it become necessary to pay all eligible project expenses; and (3) for purposes of preparing this estimate, local tax rates remain constant regardless if the district is/is not created.

Year	Estimated Property Taxes	Estimated Annual Tax Increment	School's Share of Property Taxes	School's Loss of Property Taxes Due to TIF	County's Share of Property Taxes	County's Loss of Property Taxes Due to TIF	City's Share of Property Taxes	City's Loss of Property Taxes Due to TIF
2020	0	0	0	0	0	0	0	0
2021	0	0	0	0	0	0	0	0
2022	8,861	6,149	2,176	1,510	3,287	2,281	3,397	2,358
2023	35,442	32,731	8,703	8,037	13,149	12,143	13,590	12,550
Through and including								
2047	35,442	32,731	8,703	8,037	13,149	12,143	13,590	12,550
TOTAL	\$894,918	\$824,418	\$219,757	\$202,445	\$332,022	\$305,866	\$343,138	\$316,106

**DEVELOPMENT DISTRICT NO. 14
(Eastgate Housing Redevelopment Project)**

Adopted: May 19, 2020



**DEVELOPMENT DISTRICT NO. 14
(Eastgate Housing Redevelopment Project)**

CITY OF OWATONNA, MINNESOTA

May 19, 2020

PREPARED BY

*Ed Tschida, Development Consultant
201 N. Front St. Suite 310
Mankato, Minnesota 56001-3569*

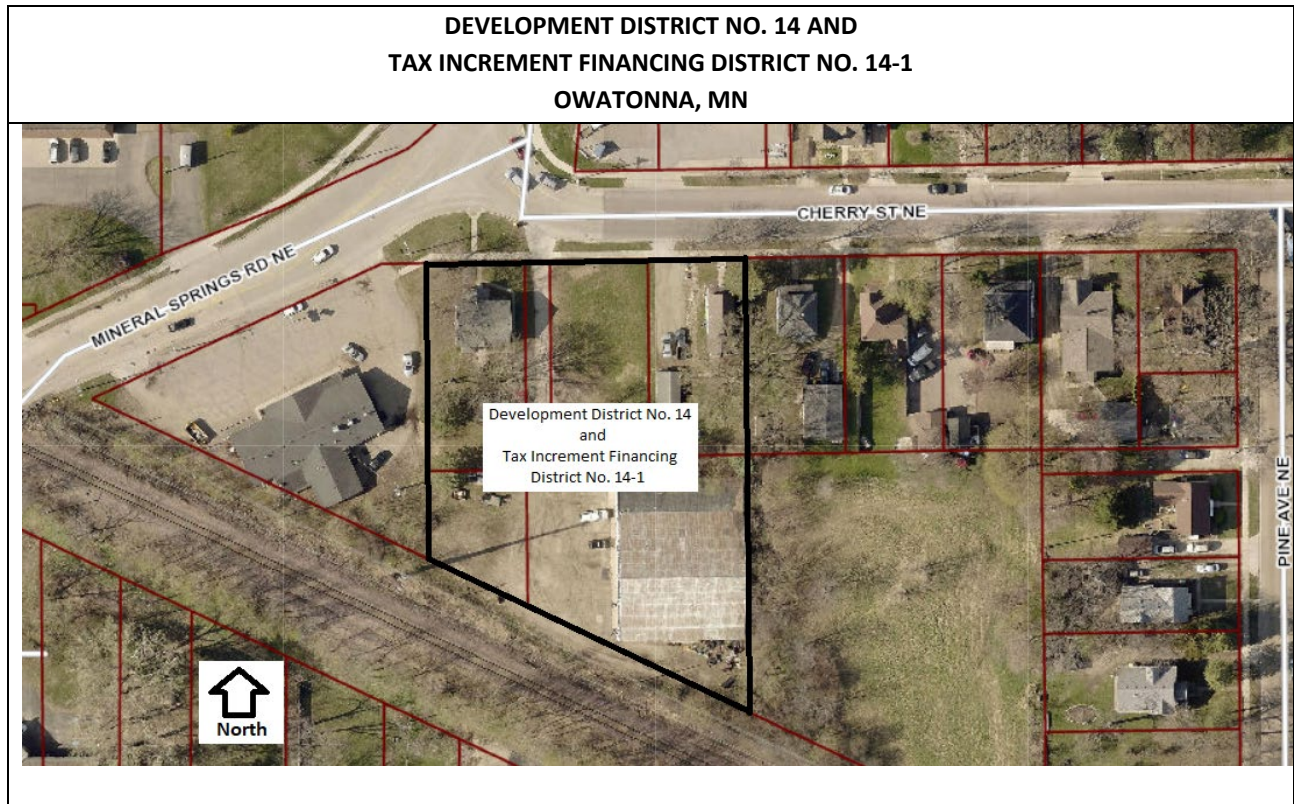
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RESOLUTIONS, TRANSMITTALS AND NOTICES	Follows Page 7
1. <u>RESOLUTION 15-18 ADOPTED FEBRUARY 5, 2018</u> PROPOSAL TO ADOPT DEVELOPMENT DISTRICT AND TAX INCREMENT FINANCING DISTRICT PLANS AND CALL FOR CONSULTATION WITH OTHER AFFECTED JURISDICTIONS AND PUBLIC HEARING (54-UNIT RENTAL HOUSING PROJECT)	
2. <u>FEBRUARY 13, 2018</u> RESOLUTION OF THE PLANNING COMMISSION FINDING THAT THE DEVELOPMENT DISTRICT PLAN CONFORMS TO CITY PLANS FOR DEVELOPMENT OF THE LOCALITY AS A WHOLE	
3. <u>MARCH 9, 2018</u> NOTICE OF A PUBLIC HEARING AND AFFIDAVIT OF PUBLICATION FOR PUBLIC HEARING ON DEVELOPMENT DISTRICT NO. 12 AND TAX INCREMENT FINANCING DISTRICT NO. 12-1	
4. <u>RESOLUTION NO. 29-18 ADOPTED MARCH 20, 2018</u> A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OWATONNA APPROVING DEVELOPMENT DISTRICT NO. 12	

INTRODUCTION

BACKGROUND

The City of Owatonna proposes creating a development district and a tax increment financing district, which facilitates redevelopment of private property with a 36-unit, rental apartment project. The location of Development District No. 14 and Tax Increment Financing District No. 14-1 appear below.



DEFINITIONS

The following capitalized terms used and not otherwise defined herein shall have the following meanings:

“City” means the City of Owatonna, a political subdivision of the State of Minnesota.

“Development” means the parcels of property upon which identified activities will occur as described in this Plan.

“Development District” means an area within the corporate limits of the City, which has been so designated and separately numbered by the governing body.

“Development Program” means the statement of objectives of the City for improvement of Development District No. 14 which contains a statement as to the public facilities to be constructed within the

District, the open space to be created, the environmental controls to be applied, the proposed reuse of private property, and the proposed operations of the District after the capital improvements within the District have been completed.

“Plan” means the Owatonna Development District No. 14 Plan prepared pursuant to the provisions of Minnesota Statutes, Chapter 469, which provides an outline for the development or redevelopment of the area and is sufficiently complete (1) to indicate its relationship to definite local objectives as to appropriate land uses; and (2) to indicate general land uses and general standards of development.

“Tax Increment Financing District No. 14-1” means a contiguous geographic area within Development District No. 14 delineated in the tax increment financing plan, as provided by Minnesota Statutes, Section 469.175, Subdivision 1, for the purpose of financing redevelopment in the City through the use of tax increment generated from the captured net tax capacity in the tax increment financing district.

PURPOSE OF DEVELOPMENT DISTRICT

Development District No. 14 is established pursuant to Minnesota Statutes, Sections, 469.124 to 469.133, in order to give the City authority to carry out redevelopment activities that promote and maintain the health, safety and welfare of the citizens and aid in the development of a 36-unit, rental apartment project, thus increasing housing opportunities, redeveloping substandard property and preserving and enhancing the local tax base.

Establishment of Development District No. 14 provides the City the opportunity to finance Development District improvements by means of tax increment financing, assessments or other financing sources. Prior to commitment of any City financial assistance for Development District activities, the City will require evidence of the need, as well, as a sound financial plan showing economic feasibility.

SUMMARY

Adoption of this Plan improves the quality of life in the community by redeveloping substandard, private property, enhancing the local tax base and providing additional rental, housing opportunities.

DEVELOPMENT DISTRICT NO. 14: DEVELOPMENT PROGRAM

BASIS FOR PROPOSING PROJECT

Owatonna's planning process has identified needs and opportunities within the Development District for property redevelopment. Establishment of the Development District meets community needs that have been identified through a detailed planning process including recommendations of City staff, City Planning Commission and Economic Development Authority.

PROJECT ELIGIBILITY

The Development District Act, Minnesota Statutes, Section 469.124 to 469.133, requires that areas proposed for development district designation must be found to be located in areas of the community that are "already built up". For the following reasons, the proposed Development District qualifies:

1. The vicinity of the Development District is urban. Existing land uses in the vicinity include residential, office/service and retail properties. Zoning in the vicinity corresponds to the land use pattern.
2. City sanitary sewer, storm sewer and water lines service the Development District.
3. Existing City streets service the Development District.
4. The City's comprehensive plan designates the Development District appropriate for apartment development.

CITY POWERS WITHIN THE DEVELOPMENT DISTRICT

Within the Development District, the City may:

1. Adopt a Development Program consistent with which the City may acquire, construct, reconstruct, improve, alter, extend, operate, maintain, or promote developments aimed at improving the physical facilities, quality of life, and quality of transportation;
2. Acquire land or easements through negotiation or through powers of eminent domain;
3. Acquire property for the Development District; and
4. Negotiate the sale or lease of property for private development if the development is consistent with the Development Program for this Development District.

Activities proposed within this Development District assist development of a 36-unit rental apartment project; thus, accomplishing the goals of increasing rental housing opportunities, redeveloping substandard properties and preserving and enhancing the local tax base.

DEVELOPMENT DISTRICT BOUNDARY

The map on page 1 outlines the boundaries of Development District No. 14. The Development District encompasses privately owned property (parcel numbers 17-010-4211, 17-010-4212, 17-122-0501, 17-122-0502 and 17-122-0514).

DEVELOPMENT PROPOSAL

The Development District is established to assist private development in its efforts to construct a 36-unit rental apartment project. A combination of public and private financing consisting of pay-as-you-go tax increment financing assistance, developer equity and lender debt will fund property redevelopment. The project is located on an approximate 1.25-acre site. The development site consists of four parcels that are zoned B-2 Community Business District, which permits multifamily housing, and one parcel that is zoned R-1 Single-Family and requires rezoning to B-2. Tax increment generated by property redevelopment may be used to finance the cost of correcting conditions that allow designation of a redevelopment tax increment financing district under Minnesota Statutes, Section 469.174 and the allocated administrative expenses of the City. Financing of specific activities using tax increment revenues will occur following project review and City approval.

DEVELOPMENT DISTRICT OBJECTIVES

The City determines that it is necessary, desirable and in the public interest to establish, designate, redevelop and administer the Development District in the City pursuant to the provisions of Minnesota Statutes, Sections 469.124 to 469.133. Undertaking of the development activities and the construction of certain public and private improvements in the Development District is unlikely without public involvement; therefore, public participation is necessary for redevelopment to occur within the Development District. The City further determines that the entire cost of a Development District, including administrative expenses of the City may be undertaken through tax increment financing, as well as, other appropriate sources. Any public or private activity when funded by the City shall demonstrate the need for such financing and how said financing is going to be repaid if it is a loan. In the case of a grant or tax increment financing, the benefits to the community, such as provision of affordable housing, increased tax base or removal of blighting conditions, shall be demonstrated.

The City seeks to achieve the following objectives through this Plan:

1. Promote and secure the prompt development of property in the Development District in a manner consistent with the City's zoning ordinance, with the City's planning commission, and with minimal adverse impact on the environment.
2. Promote and secure additional housing within the City for residents of the City and the surrounding area thereby improving living standards and protecting the health, safety and welfare of community residents.

3. Secure the increase of property subject to taxation by the City, Independent School District No. 761, Steele County and any other taxing jurisdictions to enable better these entities to pay for required public improvements and governmental services and programs.
4. Provide funds for the payment of the public development cost of the Development District.
5. Provide maximum opportunity, consistent with the needs of the City, for development by private enterprise.
6. Establish an orderly transition between the Development District and surrounding areas.
7. Create effective buffers, screens, and/or transitions between residential and non-residential uses to minimize the potential blighting effects of divergent land uses.
8. Achieve a high level of design and landscaping quality to enhance the physical environment.

PROJECT ACTIVITIES

The City envisions the development of the Development District in accordance with the Comprehensive Plan for the City, the zoning and subdivision ordinances, this Plan and such development proposals as may be submitted, provided individual proposals conform to the above plans and regulations.

Minnesota Statutes, Section 469.124 to 469.133, authorizes the City a broad array of powers to undertake a Development District. The City will perform all Development District activities pursuant to the statute and in doing so anticipates that the following activities may be undertaken:

1. Acquisition. The City may acquire property for the development of public projects or public improvements. The City may acquire property for the development of private projects. Land acquisition will be completed within the requirements of the Uniform Acquisition and Relocation Act.
2. Site preparation. Properties acquired by the City may be prepared for development, which may include street, curb, gutter, bituminous, flood prevention improvements, subsoil correction, and the establishment of greenways, walkways, and common access corridors.
3. Incentives for private development. The City may provide financial incentives for the development and/or expansion of developments.
4. Public improvements. The City may construct public facilities such as streets, traffic signals, sanitary sewer, storm drainage improvements, including the separation of storm and sanitary sewers, waterlines, parking and such other facilities, as it deems necessary and desirable for the implementation of the Development District.

5. Maintenance. Maintenance of improvements undertaken by the City may include the improvement of public lighting, streetscaping, parking, signs, traffic control devices, and pedestrian improvements.

CONFORMANCE WITH PLAN FOR THE CITY

The City believes that the establishment and implementation of Development District No. 14 meets the intent of City plans, policies and ordinances by maintaining the quality of existing development, and improving the quality of life through orderly planned improvements. Financing for development activities may be made available through tax increment revenues generated within Tax Increment District No. 14-1. The proposed activities and expenditures of funds conform to allowable activities delineated and approved for the tax increment district.

PROCEDURE FOR MAKING MODIFICATIONS IN AN APPROVED DEVELOPMENT DISTRICT

The Development District Plan may be modified, and adopted by the governing body of the City of Owatonna, Minnesota, pursuant to the applicable provisions of Minnesota Statutes, Sections 469.124 to 469.133, inclusive.

OPEN SPACE TO BE CREATED

The Development District activities in the Development District will not result in the creation of open space.

PROPOSED REUSE OF PROPERTY

Currently, property within the Development District is privately owned. Upon approval of this Plan and related development documents, the property will be redeveloped with a 36-unit rental, apartment project.

ENVIRONMENTAL CONTROLS

The environmental controls to be applied in connection with the execution of the Development Program shall consist of the applicable ordinances of the City, and the applicable provisions of Minnesota Statutes.

MAINTENANCE AND OPERATION OF PUBLIC IMPROVEMENTS AND ADMINISTRATION OF THE DEVELOPMENT DISTRICT

Upon completion of the Development District's activities, the public improvements shall be owned and maintained by the City.

Pursuant to Minnesota Statutes, Section 469.131, the City designates the City Administrator to administer the ongoing activities of the Development District.

REQUIRED DOCUMENTS

The City will review developers' proposals to determine conformance with this Plan and applicable rules, regulations laws, and ordinances. To facilitate this effort, the following documents shall be submitted for approval: site plan, construction, mechanical and electrical system drawings, landscaping plan, grading and storm drainage plans, utility network and site correction plans, lighting system plan, signage system plan, and any other drawings or narrative deemed necessary by the developer and/or City to demonstrate the conformance of the development with the design standards.

DEVELOPER'S OBLIGATIONS

Development of properties in the Development District will use the following general guidelines:

1. Development of the Development District in accordance with this Plan.
2. Commencement and completion of the buildings and improvements in the Development District within a reasonable period as determined by the City.
3. Not to discriminate based on race, color, sex, creed, or national origin on the lease or occupancy of the Development.
4. All public and private utility services such as water, sewer, gas, electric, and telephone, serving parcels of land under this Plan shall be placed underground except where physical conditions would prohibit such placement of utilities.

PROJECT FINANCING

Assisting a project the size and scope of the Development may require the City to use of tax increment financing. Minnesota Statutes, Chapter 469, authorizes tax increment financing for development activities when a project created pursuant to Chapter 469 exists. Development District financing will be important to the overall Development District success. It is the intent of the City to use tax increment financing to leverage private investment and to ensure that the Development is undertaken and subsequently operated in a successful manner.

**TAX INCREMENT FINANCING DISTRICT NO. 14-1
(Eastgate Housing Redevelopment Project)**

Adopted: May 19, 2020



**TAX INCREMENT FINANCING DISTRICT NO. 12-1
(Eastgate Housing Redevelopment Project)**

CITY OF OWATONNA, MINNESOTA

MAY 19, 2020

PREPARED BY

*Ed Tschida, Development Consultant
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INTRODUCTION

BACKGROUND

The City of Owatonna proposes creating a development district and a tax increment financing district, which facilitates the transfer of City-owned property for subsequent development with a 36-unit, rental apartment project for occupancy by persons of low and moderate income. The location of Development District No. 14 and Tax Increment Financing District No. 14-1 appear below.



DEFINITIONS

The following capitalized terms used and not otherwise defined herein shall have the following meanings:

“Bonds” means any bonds or other obligations as defined in Minnesota Statutes, section 469.174, subdivision 3, including interfund loans or advances qualifying under Minnesota Statutes, section 469.178, subdivision 7.

“City” means the City of Owatonna, a political subdivision of the State of Minnesota.

“City Council” means the Owatonna City Council.

“County” means Steele County, State of Minnesota.

“Development District” means a specific area within the corporate limits of a municipality that has been so designated and separately numbered by the governing body. Development District” also means Development District No. 14 established May 19, 2019 by resolution of the City Council.

“Project” is a development district as defined in, section 469.125, subdivision 9.

“Redevelopment District” means a type of tax increment financing district consisting of a project, or portions of a project, within which the City finds by resolution that the following conditions, reasonable distributed throughout the District, exist: Parcels consisting of 70 percent of the area of the District are occupied by buildings, streets, utilities, or other improvements and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.

“Tax Increment Financing Plan” or “Plan” means the plan for Tax Increment Financing District No. 14-1 prepared pursuant to the provisions of Minnesota Statutes, sections 469.174 to 469.1794, which provides a statement of objectives, the development program, a list of development activities, project timing, budget estimates, estimated impact on affected taxing jurisdictions, identification of studies or analysis used to determine need for financing and identification of parcels to be included in the District.

“Tax Increment Financing District No. 14-1” or “District” means a contiguous or noncontiguous geographic area within a project delineated in the tax increment financing plan, as provided by Minnesota Statutes, section 469.175, subdivision 1, for the purpose of financing redevelopment, housing or economic development in municipalities through the use of tax increment generated from the captured net tax capacity in the tax increment financing district.

PURPOSE OF TAX INCREMENT FINANCING DISTRICT

The District is established pursuant to Minnesota Statutes, Chapter 469, which gives the City Council the authority to use tax increment financing as a funding source. Under Chapter 469, a tax increment district must be established as a housing district, a redevelopment district, a renewal and renovation district, a soils condition district or an economic development district. Because this District qualifies as a “redevelopment district”, pursuant to Minnesota Statutes, section 469.174, subdivision 10(a)(1), it has duration of not greater than twenty-five years from the date of receipt by the City of the first tax increment.

Formation of the District improves the quality of life in the community by financing eligible Project costs that fosters property redevelopment, creates additional housing for various age and income groups in proximity to necessary goods and services and increases the tax base.

TAX INCREMENT FINANCING PLAN

RELATIONSHIP OF TAX INCREMENT DISTRICT TO PROJECT AREA

Development District No. 14 was formed to promote redevelopment of certain property, construct additional housing, increase property subject to taxation, provide improvements to development properties and designate methods for the financing of activities in the Development District.

Development District law authorizes expending increment funds to pay for these Project activities and improvements. When using tax increment funds, it is necessary to establish a tax increment financing district according to Minnesota Statutes, sections 469.174 to 469.1794, inclusive. Approval of this Plan results in the creation of Tax Increment Financing District No. 14-1, which has as its purpose the financing of redevelopment activities authorized by the formation of Development District No. 14.

DEVELOPMENT PROPOSAL

LWO Development, LLC (the “Developer”) proposes to develop an affordable workforce, rental apartment project. The project will begin construction in August of 2020 and consist of 36 units, with a mix of one, two and three bedroom apartments to serve singles and families. Additional features will include underground parking, community room, office and workout space.

In addition to Developer equity, lender debt and tax increments, project financing includes the Minnesota Housing Finance Agency’s Low-Income Housing Tax Credit (HTC) Program that is a financing program for qualified residential rental properties. The HTC program offers investors a 10-year reduction in tax liability in exchange for capital to build eligible affordable rental housing units.

Five parcels comprising approximately 1.25 acres make up the development site. The site is zoned B-2 Community Business District, which permits multifamily housing.

Tax increment generated by property redevelopment may be used to finance the cost of correcting conditions that allow designation of a redevelopment tax increment financing district under Minnesota Statutes, Section 469.174 and the allocated administrative expenses of the City. The City will establish an interfund loan to finance eligible project costs. The City requires the Developer to enter into a Development Agreement that specifies development terms. Financing of specific activities using tax increment revenues will occur following project review and City approval.

PARCELS LOCATED IN TAX INCREMENT DISTRICT

The map on page 1 outlines the boundaries Tax Increment Financing District No. 14-1. Parcels included in the district are:

Tax Increment Financing District No. 14-1 Parcel Information				
Parcel #	Address	Lot Area	Buildings ¹	Property condition
17-122-0501	403 Cherry St. NE	8,713 ft. ²	0	Vacant land
17-122-0502	409 Cherry St. NE	8,712 ft. ²	1	Structurally substandard
17-122-0514	301 Cherry St. NE	22,575 ft. ²	1	Structurally substandard
17-010-4211	231 Mineral Spring Rd. NE	9,235 ft. ²	1	Structurally substandard
17-010-4212	231 Mineral Spring Rd. NE	4,979 ft. ²	0	Vacant land
¹ Number of buildings on parcel not including outbuildings				

FINDINGS

Before a municipality approves a tax increment financing plan, the statutory findings of Minnesota Statutes, section 469.175, subdivision 3, must be made and the reasons for those findings must be set forth in writing along with supporting facts for each determination. The findings and supporting facts for the District are as follows:

1. FINDING. That the proposed tax increment financing district is a redevelopment district.

SUPPORTING FACTS. Minnesota Statutes, Chapter 469, provides for five types of districts -- a redevelopment district, renewal and renovation district, soils condition district, a housing district, and an economic development district – each serving a well-defined need and each having different qualifying standards. Tax Increment Financing District No. 14 -1 is established as a “Redevelopment District”. Minnesota Statutes, section 469.174, subdivision 10(a)(1), defines “Redevelopment District”. This definition is also set forth on page 2 of this Plan. In order to qualify as a “Redevelopment District” the property must meet the following requirements:

A. Parcels consisting of 70 percent of the area of the District must be occupied by buildings, streets, or other improvements. 100% or five parcels constituting the District are occupied by buildings, streets or other improvements thus exceeding the statutory requirement for occupancy by buildings, streets or other improvements of 70 percent.

B. More 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. The District contains three buildings not including outbuildings. Survey and inspection of the buildings has been conducted. Three or 100 percent of the buildings are substandard to a degree requiring substantial renovation or clearance thus exceeding the statutory requirement of 50 percent. The City has examined the building according to the requirements of Minnesota Statutes, section 469.174, subdivision 10(c) and has retained written documentation thereof.

2. FINDING. That, in the opinion of the City:

A. The proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future; and

B. The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed

development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the Plan.

SUPPORTING FACTS. *In the opinion of the City, the proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.* This finding is supported by the fact that the District is comprised of property in an area of the City that is in need of redevelopment. This property contains substandard structures. Due to age and lack of use, the property is in substandard condition requiring demolition and redevelopment. Without tax increment financing assistance, it is not financially possible to undertake demolition and redevelopment of this property in a manner consistent with the City's long-term planning and zoning requirements for the area.

Furthermore, the City has determined that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the Plan. The City supports this finding because the extraordinary redevelopment costs within the District cannot be borne by private development consequently impeding private development in its efforts to construct a financially viable project. The City recognizes that these impediments to redevelop requires public assistance, and therefore agrees that tax increment assistance is reasonably necessary for the redevelopment to proceed. Based on its analysis, the City reasonably determines that no other development will occur in the District without substantially similar assistance being provided to the redevelopment project. Accordingly, the increased market value anticipated without tax increment assistance is \$0.

A comparative analysis of the estimated market values both with and without establishment of the District and the use of tax increments has been performed. If all proposed development that is to be assisted with tax increments occurs in the District, the total increased market value would be up to \$2,534,400. The present value of tax increments from the District is estimated to be \$536,099. It is the City's finding that no development with a market value of greater than \$2,518,076 would occur without tax increment assistance in the reasonably foreseeable future. This finding is based upon general past experience wherein the extraordinary costs of redevelopment hamper and discourage public/private redevelopment efforts. The City believes this project qualifies for tax increment financing and is prepared to commit this resource to the project.

3. **FINDING.** That the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

SUPPORTING FACTS. The tax increment financing plan conforms to the general plan of the City for the following reasons:

A. The City supports the redevelopment project because it eliminates blight, creates housing, strengthens the tax base and promotes the health, safety and welfare of the community through planned development within the District.

B. The project conforms to the City's comprehensive plan and zoning ordinance.

4. FINDING. That the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

SUPPORTING FACTS. By adopting the Development District No. 14 development program, the City approved a blueprint for development and redevelopment within the community. The Development District plan encourages cooperation with private enterprise. Information contained in the development program along with other City plans and reports has been used in the preparation of this Plan. Based upon the objective of cooperation and upon the guidance provided by City plans and ordinances, the City has determined Project costs that will be paid for by tax increment revenues. As the Financial Plan, on pages 8 through 12 of this Plan, the City intends to concentrate the use of tax increment revenue on those improvements that would not reasonably be expected to occur solely through private action. Private enterprise will be responsible for the vast majority of the expenses and activities normally associated with land development.

DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 14

Minnesota Statutes, section 469.175, subdivision 1(2) requires “A statement as to the development program for the project, including the property within the project, if any, which the authority intends to acquire”. The development program for Development District No. 14 is delineated in a report entitled “Development District No. 14” adopted May 19, 2019, copies of which are on file in the City Administrator's office. By this reference, said Development Program is incorporated as part Plan.

TAX INCREMENT DISTRICT DEVELOPMENT PLAN

Activities to be financed, in whole or in part, because of the implementation of the District include:

1. The City controls the property within the District, which consists of five parcels occupied by three substandard structures that due to the age and condition of the buildings require demolition and site clearance before private redevelopment can take place. Upon completion of property acquisition, demolition and site clearance, the City will sell the property to the Developer for redevelopment with a 36-unit affordable workforce, rental apartment project.

2. The City will use tax increment financing revenues generated by property redevelopment within the District to repay an interfund loan use to finance redevelopment costs subject to the limitations of Minnesota Statutes, section 469.176, subdivision 4j.

The above activities and improvements are within the boundaries of Tax Increment Financing District No. 14-1. For the purposes of budgeting in this Plan, property redevelopment begins in August 2020. Property redevelopment is anticipated to be approximately 25% complete at the end of 2020 with substantial project completion by December 31, 2021.

The above activities are, at the time of preparation of this Plan, the only activities proposed for the Development District because of the formation of the District. The City requires execution of a development agreement with the Developer following approval of the Plan and before beginning project activities.

CONFORMANCE WITH PLAN FOR THE CITY

The City Council believes that creation and implementation of the District meets the intent of the plan for the City by maintaining the quality of existing development, and improving the quality of life through orderly planned improvements.

PROCEDURE FOR MODIFYING AN APPROVED TAX INCREMENT DISTRICT PLAN

The Tax Increment District Plan may be modified, provided the modification shall be approved by the City Council under provisions of the Minnesota Tax Increment Financing Act of Minnesota Statutes, section 469.175, subdivision 4.

RELOCATION

The Plan for the District does not envision that the relocation of persons or businesses will be required to implement this Plan. However, if in the future the City determines that relocation is required, the City shall implement procedures that comply with the Uniform Relocation Act and any person or business affected shall be treated according to those laws, rules and regulations.

PROPERTY ACQUISITION AND DISPOSITION

The City will acquire the five parcels in the District following established City procedures for property acquisition. The City has been awarded a Redevelopment Grant from the Minnesota Department of Employment and Economic Development to assist in redeveloping the property. The City will match the grant funds to pay redevelopment activities including asbestos abatement, building demolition, and public infrastructure upgrades. Upon completion of these activities the City will sell the property to the Developer at the estimated sales price of \$125,000.

NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Minnesota Statutes, section 469.177, subdivision 4 requires that the request for certification of original tax capacity be accompanied by a listing of properties within the tax increment district for which building permits have been issued in the 18 months preceding approval of the tax increment financing plan. The City has searched its records and determined that no building permits have been issued for properties in the District in the 18 months immediately preceding approval of the Plan. Based on information to be submitted to Steele County, it is estimated the most recent tax capacity will be 1,664.

METHOD OF FINANCE

The City Council elects to use Tax Increment Financing pursuant to Minnesota Statutes, Chapter 469, to finance all or part of the costs of the Project. By electing this method of financing, the City Council is not precluding the use of other methods provided by State law.

FINANCIAL PLAN

ESTIMATE OF PUBLIC COST

The following is an estimate of public cost, including cost of District indebtedness, source of revenue, most recent tax capacity and estimate of captured tax capacity.

1. Uses of Funds. Uses of funds within the Project area consist of site improvements and administration. The estimated cost for undertaking these activities is:

A. Property acquisition	\$482,489
B. Interest	257,631
C. Administration	82,236
TOTAL USES OF FUNDS	<u>\$822,356</u>

2. Source of Funds. The City proposes to issue its Bonds in the maximum amount of \$1,934,297 in the form of an interfund loan to reimburse eligible project expenses incurred by the City. Based upon current information, tax increment in the following amount will become available to repay the Total Uses of Funds:

A. Tax increments	<u>\$822,356</u>
TOTAL SOURCE OF FUNDS	<u>\$822,356</u>

The above represents an estimate of the cost of the Project activities, including administrative expenses, interest and the sources of revenue to finance or otherwise pay public costs. The City reserves the right to amend individual line items insofar as total estimated tax increment expenditures are not increased. If such an increase is proposed, the City shall seek a public hearing on the increase pursuant to Minnesota Statutes, section 469.175, subdivision 4.

ESTIMATE OF MARKET VALUE AND TAX INCREMENT

Table 1 on page 9 shows the assumptions and calculations used to determine taxes and tax increment.

FINANCING ASSUMPTIONS

Tax increment will be used to finance activities in the Project area. The following information and assumptions were used to calculate financing costs for the activities in the Project area.

TABLE 1: PROJECT'S ESTIMATED VALUE AND TAX INCREMENT

Local Tax Rate = 162.953% (Owatonna, Payable 2020) Property Classification: Low Income Apartments 25% Completion by December 31, 2020; 100% Completion by December 31, 2021 Estimated Completion Market Value: \$2,900,000								
YEAR TAXES PAYABLE	BASE TAX CAPACITY	PROJECT TAX CAPACITY	CAPTURED TAX CAPACITY	PROJECT ANNUAL TIF	LESS OSA FEE OF 0.250%	ADJUSTED TAX INCREMENT	LESS ADMIN. OF 10%	NET ANNUAL TIF
2020	1,664	0	0	0	0	0	0	0
2021	1,664	0	0	0	0	0	0	0
2022	1,664	5,438	3,774	6,149	15	6,134	613	5,520
2023	1,664	21,750	20,086	32,731	82	32,649	3,265	29,384
Through and including tax years payable								
2047	1,664	21,750	20,086	32,731	82	32,649	3,265	29,384
TOTALS				\$824,418	\$2,061	\$822,356	\$82,236	\$740,121
Present value of annual increment discounted at 3.00% equals						\$536,099		\$482,489

FINANCING ASSUMPTIONS (continued from page 8)

1. Construction of the 36-unit affordable workforce, rental apartment project will begin in August 2020. The Developer estimates project occupancy in 2021.
2. Financing of the Project activities commences in 2020.
3. Pursuant to Minnesota Statutes, section 469.176, subdivision 1b.(4) the City is basing the District duration on the requirements for statutory decertification of a tax increment financing district which states that no tax increment shall in any event be paid to the City for a redevelopment district after 25 years from the date of receipt by the City of the first increment. Receipt of the first tax increment occurs in 2022 payable from the 2021 tax levy. Increment collections may occur for twenty-six years (2022 through 2047). The City estimates that sufficient increment will have been generated from taxes payable through 2047 to repay all project costs. It is the City's intention to decertify the District upon repayment of project costs. The estimated increments for the District appear on Table 1.
4. The 2020 local tax rate of 162.953% and 2020 tax values were used to calculate the estimate of increment in this Plan.
5. The property classification for taxation purposes is 4d Low Income Rental Housing. The classification rate for this property is 0.75% of the first \$150,000 of market value and 0.25% for market value in excess of \$150,000 1.25% of market value calculated on a per unit basis.
6. A present value of the annual increment is determined by discounting the increment cash flow at 3.00%.
7. The city may claim up to 10% of the annual increment for administrative expenses. Owatonna's policy is to collect for actual administrative expenses only. This analysis assumes retaining 10% of the increment for administrative purposes.

8. The project qualifies as a “redevelopment district” tax increment financing district. The maximum duration of a “redevelopment district” is 26-years after the date of receipt by the city of the first tax increment. Depending on the exact construction timing, this project could receive up to 26-years tax increment assistance.

9. Increment revenues will be used to finance capital and administrative costs resulting from the Project activities. All tax increment generated by this District will be used to finance the activities of the Plan. Pursuant to Minnesota Statutes, section 469.177, subdivision 2, the City chooses to retain the full captured tax capacity to pay expenditures noted in the Plan or subsequent Plan modifications.

10. The City may use annual tax increments in 2022 through 2047 to service Project costs. “Project costs” means all expenditures of the City or reimbursement of eligible developer costs for the purchase of land or amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District, including interest thereon. Project costs also include all administrative expenses as defined in Minnesota Statutes, section 469.174, subdivision 14. Based upon an annual debt service as per Table 1, the City would be able to finance project costs of \$482,489, interest of \$257,631 and administrative costs of \$82,236. The first increment would be available to the City in 2022 and may continue through 2047.

11. Annual tax increments as per Table 1, generated by the District, will be the source of funds used to finance the Project area activities.

SOURCES OF REVENUE

The proposed source of revenue to be used to finance public costs associated with the development project in the District is tax increment generated because of the taxation of the land and improvements in the District. Tax increment financing refers to a funding technique that uses increases in assessed valuation and the property taxes attributed to new development to finance, or assist in the financing of development costs. The improvements resulting from development of the property by private business within the District will generate an anticipated annual tax increment, as per Table 1, in 2022 through 2047 based on a full assessment.

Development of the 36-unit affordable workforce, rental apartment project generates the District's tax increment. The City proposes to issue bonds to fund eligible redevelopment costs.

BONDED INDEBTEDNESS

Upon approval of this Plan, the City will execute a development agreement with the Developer that provides issuance of its Bonds in the form of an interfund loan, which will finance the eligible costs of this District, in an estimated amount not to exceed \$482,489.

LIMITATION ON USE OF TAX INCREMENT; REDEVELOPMENT DISTRICTS

Pursuant to Minnesota Statutes, section 469.176, subdivision 4j, “At least 90 percent of the revenues derived from tax increments from a redevelopment district or renewal and renovation district must be used to

finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under section 469.174. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary to development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the authority, including the cost of preparation of the development action response plan, may be included in the qualifying costs.”

TIF BUSINESS SUBSIDY

The assistance provided to the Developer, by the City, pursuant to this Plan is not a business subsidy under the provisions of Minnesota Statutes, Section 116J.993 to 116J.995, because tax increment financing provides “assistance for housing”, which pursuant to Minnesota Statutes, section 116J .993, subdivision 3(7) is a form of financial assistance that is not a business subsidy.

IMPACT OF THE USE OF TAX INCREMENT ON TAXING JURISDICTIONS

Minnesota Statutes, section 469.175, subdivision 1(6), requires, “statements of the authority's alternate estimates of the impact of tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, the authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district or subdistrict”.

Table 2, on page 12, shows the impact of tax increment financing on the tax capacity of the affected taxing jurisdictions assuming (1) none of the increment would be available, and (2) the increment would be available to the tax jurisdictions.

[Remainder of page intentionally left blank]

TABLE 2
OWATONNA, MINNESOTA
TAX INCREMENT FINANCING DISTRICT NO. 14-1

	WITHOUT PROJECT		
	2020 Tax Capacity	Ad Valorem Taxes Generated	2020 Tax Rate
City	21,956,697	\$13,718,764	62.481%
County	42,141,343	\$25,477,392	60.457%
School District	31,714,573	\$12,690,586	40.015%
TOTALS			<u>162.953%</u>

	WITH PROJECT							
	2020 Tax Capacity	Projecte Captured Tax Capacity	Projected Tax Capacity	Ad Valorem Tax Generated	Adjusted Local Tax Rate	Tax Rate Impact	Projecte Captured Tax Capacity	Projected Incremen Income
City	21,956,697	20,086	21,976,783	\$13,718,764	62.424%	0.0571%	20,086	\$12,550
County	42,141,343	20,086	42,161,429	\$25,477,392	60.428%	0.0288%	20,086	\$12,143
School	31,714,573	20,086	31,734,659	\$12,690,586	39.990%	0.0253%	20,086	\$8,037
TOTAL					<u>162.842</u>	<u>0.1112%</u>		<u>\$32,731</u>

Statement 1: The current tax capacity times the local tax rate produces current taxes generated. If the captured tax capacity were available to each taxing jurisdiction, the result would be a lower or adjusted local tax rate to produce the same amount of taxes. Thus, with the addition of captured value of 20,086 the overall local tax rate would be reduced by 0.1112% to a level of 162.842%. The captured tax capacity times the original local tax rate of 162.953% would generate \$32,731 in increment income, which represents the loss of new tax revenues if the development had occurred without inclusion in a tax increment district.

Statement 2: If no captured tax capacity is available to each of the taxing jurisdictions without creation of the District, there is no impact on the taxes heretofore levied and therefore no impact on local tax rates. The captured tax capacity at the original local tax rate would generate \$732,731 in increment income annually.

PROCEEDINGS OF THE STEELE COUNTY BOARD OF COMMISSIONERS

SPECIAL SESSION

April 10, 2020

STATE OF MINNESOTA)

) ss

COUNTY OF STEELE)

The Steele County Board of Commissioners met for a Special Session at 10:00 a.m. on April 10, 2020 with Commissioners Abbe, Brady, Krueger, Gnemi and Glynn present. Also present were IT Director Dave Purscell, GIS Coordinator Nick Flatgard, County Treasurer Cathy Piepho, County Administrator Scott Golberg and County Auditor Laura Ihrke. Those attending remotely were County Attorney Dan McIntosh, Veterans Service Officer Rene Gilormini, Sheriff Lon Thiele, Emergency Management Director Mike Johnson and Planning & Zoning Director Dale Oolman.

Call to Order and Pledge of Allegiance.

Motion by Commissioner Krueger, seconded by Commissioner Gnemi to approve the agenda. Ayes all.

Motion by Commissioner Krueger, seconded by Commissioner Gnemi to approve the following Consent Agenda items. Ayes all.

- A. Approve the minutes of March 24, 2020 Board Minutes
- B. Approve the Listing of Bills and Journal Entries.
- C. Approve the Personnel Report.

Anniversaries:

<i>Name</i>	<i>Position-Dept</i>	<i>Anniv. Date</i>	<i>Yrs. Service</i>
Sean Grivette	Correctional Officer – Detention Center	04/01/20	4
Kimberly Saenz	Correctional Officer – Detention Center	04/01/20	1
Katelyn Tollefson	Correctional Officer – Detention Center	04/01/20	1
Matthew Gwin	Correctional Officer – Detention Center	04/03/20	14
Heather Fast	Public Health Nurse – Public Health	04/04/20	4
Anthony Cassen	Highway Maintenance Technician – Hwy	04/08/20	1
Sean Benz	Asst. Director – Parks & Recreation	04/09/20	15
Travis Ernste	Probation Officer III – Community Corr.	04/10/20	3
Benjamin Wilson	Correctional Corporal – Detention Center	04/13/20	5
Chad Forsystek	Licensed Sergeant – Sheriff's Office	04/13/20	25
Joyce Prusha	Correctional Sergeant – Detention Center	04/15/20	18
Leah Kent	Health Services Assistant – Detention Ctr.	04/15/20	12
Brock Nelson	Appraiser – Assessor's Office	04/16/20	2
Samantha Ahrens	Probation Officer III – Community Corr.	04/16/20	13
Melissa Bos	Accounting Support Asst. – Highway	04/16/20	2
William Effertz	County Assessor – Assessor's Office	04/18/20	9
Nancy Gjerald	Accounting Technician – Detention Center	04/19/20	16
Andrea Marshall	Health Educator – Public Health	04/23/20	2
Paul Sponholz	Assistant County Engineer - Highway	04/23/20	2
Marta Grieman	Project Engineer - Highway	04/25/20	4
June Piepho	Family Support Specialist – Public Health	04/26/20	14
Kyle Stanley	Building Inspector – Planning & Zoning	04/29/20	1
Jane Christenson	Technical Clerk II – Sheriff's Office	04/30/20	6

- D. Approve the following **Resolution**

ACCEPTANCE OF DONATION FOR PUBLIC HEALTH

WHEREAS, Minnesota Statute §465.03 allows counties to accept grants and donations of real or personal property for the benefit of its citizens;

WHEREAS, said donations must be accepted via resolution of the County Board of Commissioners by a two-thirds majority of its members; and

WHEREAS, the Board of Commissioners finds that it is appropriate to accept the donation offered;

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners in and for the County of Steele, Minnesota, that it accepts, with sincere appreciation, the donations of:

- Homemade Fabric Masks by Steele County Public Health Employee
- Homemade Fabric Masks by Steele County Public Health Employee

E. Approve the following **Resolution**

**ACCEPTANCE OF CASH DONATION
FOR SHERIFF'S OFFICE K-9 PROJECT**

WHEREAS, Minnesota Statute §465.03 allows counties to accept grants and donations of real or personal property for the benefit of its citizens;

WHEREAS, said donations must be accepted via resolution of the County Board of Commissioners by a two-thirds majority of its members; and

WHEREAS, the Board of Commissioners finds that it is appropriate to accept the donation offered;

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners in and for the County of Steele, Minnesota, that it accepts, with sincere appreciation, the donations of:

Heavy Metal Barbell	\$ 100.00
Costco Wholesale	\$ 1,000.00
Radel Properties	\$ 250.00
Paul Borash	\$ 100.00
Alexander Lumber	\$ 200.00

F. Approve annual On-Sale Liquor License for Monterey Ballroom.

G. Approve On-line Inmate Visitations due to COVID-19 Pandemic.

Motion by Commissioner Krueger, seconded by Commissioner Glynn to Renew the Farmland Lease Agreement of 81.5 acres in Aurora Township with Dean Schroeder. Upon the vote being taken, four Commissioners voted in favor thereof, Commissioner Brady abstaining.

Motion by Commissioner Gnemi, seconded by Commissioner Krueger to award Contract SAP 074-607-023, 074-613-008, and 074-629-003 for Culvert Replacements and Drainage Improvement to low bidder JJD Companies in the amount of \$612,991.10. Upon the vote being taken, four Commissioners voted in favor thereof, Commissioner Brady abstaining.

Motion by Commissioner Brady, seconded by Commissioner Gnemi to award Contract SAP 074-643-007 for Bridge No. 74J24-CSAH 43 over Maple Creek to low bidder GRS Enterprises, Inc., in the amount of \$185,747.50. Ayes all.

Commissioner Glynn offered the following Resolution, seconded by Commissioner Gnemi,

**RESOLUTION
For Agreement to State Transportation Fund
Local Bridge Replacement Program
Grant Terms and Conditions
SAP 074-643-007**

WHEREAS, Steele County has applied to the Commissioner of Transportation for a grant from the Minnesota State Transportation Fund for construction of Bridge No. 74J24; and

WHEREAS, the Commissioner of Transportation has given notice that funding for this bridge is available; and

WHEREAS, the amount of the grant has been determined to be \$100,251.25 by reason of the lowest responsible bid;

NOW, THEREFORE BE IT RESOLVED that Steele County does hereby agree to the terms and conditions of the grant consistent with Minnesota Statutes, section 174.50, and will pay any additional amount by which the cost exceeds the estimate, and will return to the Minnesota State Transportation Fund any amount appropriated for the bridge but not required. The proper county officers are authorized to execute a grant agreement and any amendments thereto with the Commissioner of Transportation concerning the above-referenced grant.

Upon the vote being taken, five Commissioners voted in favor thereof, none absent and none abstaining.

A copy of the Resolution is on file in the Auditor's office.

Motion by Commissioner Krueger, seconded by Commissioner Gnemi to approve the Maintenance Contract with Pro-West and Associations in the amount of \$3,685 to upgrade the Land Records mapping applications, with funds to come from the Compliance Fund. Ayes all.

Motion by Commissioner Glynn, seconded by Commissioner Brady to limit public access to County Facilities until further notice. Ayes all.

Motion by Commissioner Krueger, seconded by Commissioner Gnemi to approve the Steele County Telework Policy During Emergencies. Ayes all.

Motion by Commissioner Krueger, seconded by Commissioner Gnemi to approve the Steele County Interim Policy 2020-01: COVID-19 Pandemic Policy for Employees which excludes Law Enforcement Personnel, Correctional Institution Personnel, Nurses and Public Health Personnel from the expanded FMLA Act of the Families First Coronavirus Response Act. Ayes all.

Commissioner Reports:

Commissioner Glynn reported his attendance at an Extension meeting.

Commissioner Krueger reported his attendance at South Country Health Alliance Finance Committee meeting, South Country Health Alliance Joint Powers meeting, AMC videoconference and a telephone conference with South Country Health Alliance.

Commissioner Gnemi reported on his attendance at Workforce Development Meeting by phone.

Commissioner Brady reported on his attendance via teleconference for a Weed Management meeting, 911 Dispatch meeting and an Extension meeting.

Commissioner Abbe reported his attendance for a 911 Dispatch meeting via Zoom.

Motion by Commissioner Krueger, seconded by Commissioner Gnemi to approve the following listing of bills.

LISTING OF BILLS
04/10/2020

Advanced Correctional Healthcare Inc.	\$ 9,189.71
Athletica Sports Systems Unlimited Corp	2,187.25
Bolton & Menk, Inc.	3,875.00
Cen Tec Cast Metal Products Inc.	2,258.77
Central Farm Services	9,371.01
Counties Providing Technology	4,075.00
CRK Properties, LLC	6,500.61
Hillyard-Hutchinson	3,633.85
L & L Street Rods & Sport Trucks	3,725.10
Link Support Services LLC	5,015.70
MCCC MI 33	5,516.50
Metro Sales Inc.	2,185.12
Nuss Truck & Equipment	5,102.94
Owatonna Police Dept	2,075.00
Parsons Electric LLC	15,790.00
SHI International Corp	3,723.30
Short Elliott Hendrickson, Inc.	3,746.25
Steele County Highway Depart	21,176.11
Summit Food Services, LLC	16,952.38
Univ of MN Regents	49,716.48
Weinberg Supply & Equipment	10,100.00
132 Payments less than \$2,000	<u>47,151.60</u>
Final Total:	\$ 233,067.68

Motion by Commissioner Gnemi, seconded by Commissioner Krueger to adjourn at 10:46 am. Ayes all.

CHAIRMAN

ATTEST: _____
AUDITOR

DRAFT

Steele County

JOURNAL ENTRIES



Descriptor MAR EOM JE'S - CASH

RRN	Audit Date	Aud Seq	Account/Formula	Trans Amt	D/C	Desc 1	Desc 2	RC1	RC2	Basis
1	3/31/20	901	72-860-000-0000-2100 Mn State Treasurer-Mortgage Regis Tax	33,819.14	D	March MRT				1
2	3/31/20	901	72-000-000-0000-1001 Cash	1,014.57	C	March MRT				1
3	3/31/20	901	72-000-000-0000-1001 Cash	32,804.57	C	March MRT				1
4	3/31/20	901	01-000-000-0000-1001 Cash	1,014.57	D	March MRT				1
5	3/31/20	901	01-003-000-0000-5013 Mortgage Registry Tax Revenue	1,014.57	C	March MRT				1
6	3/31/20	902	72-861-000-0000-2100 Mn State Treasurer-State Deed Tax	24,760.27	D	March State Deed Tax				1
7	3/31/20	902	72-000-000-0000-1001 Cash	742.81	C	March State Deed Tax				1
8	3/31/20	902	72-000-000-0000-1001 Cash	24,017.46	C	March State Deed Tax				1
9	3/31/20	902	01-000-000-0000-1001 Cash	742.81	D	March State Deed Tax				1
10	3/31/20	902	01-003-000-0000-5014 State Deed Tax Revenue	742.81	C	March State Deed Tax				1
11	3/31/20	903	72-862-000-0000-2100 Mn State Treasurer-Sales Tax	4,788.00	D	March Sales Tax				1
12	3/31/20	903	72-000-000-0000-1001 Cash	4,788.00	C	March Sales Tax				1
13	3/31/20	904	53-398-000-0000-6540 Machine Fuel	149.00	D	March Usage Tax				1
14	3/31/20	904	53-000-000-0000-1001 Cash	149.00	C	March Usage Tax				1
15	3/31/20	905	53-398-000-0000-6540 Machine Fuel	156.18	D	March Diesel Tax				1
16	3/31/20	905	53-000-000-0000-1001 Cash	156.18	C	March Diesel Tax				1
17	3/31/20	905	10-304-000-0000-6522 Diesel Fuel Tax	1,254.86	D	March Diesel Tax				1
18	3/31/20	905	10-000-000-0000-1001 Cash	1,254.86	C	March Diesel Tax				1
19	3/31/20	906	01-003-000-0000-6354 Misc Insurance Acct	272,818.50	D	March BCBS Pmt				1
20	3/31/20	906	01-000-000-0000-1001 Cash	272,818.50	C	March BCBS Pmt				1

Steele County

JOURNAL ENTRIES



Descriptor MAR EOM JE'S - CASH

RRN	Audit Date	Aud Seq	Account/Formula	Trans Amt	D/C	Desc 1	Desc 2	RC1	RC2	Basis
21	3/31/20	907	01-003-000-0000-6961 Visa One Card Program	28,254.18	D	BMO cc pmt				1
22	3/31/20	907	01-000-000-0000-1001 Cash	28,254.18	C	BMO cc pmt				1
23	3/31/20	908	01-003-000-0000-6160 Pera	184,603.30	D	March PERA pmt				1
24	3/31/20	908	01-000-000-0000-1001 Cash	184,603.30	C	March PERA pmt				1
25	3/31/20	909	01-000-000-2510-2270 Security Deposit-Inmates	2,150.29	D	Jail ending bal at Bremer				1
26	3/31/20	909	01-000-000-0000-1001 Cash	2,150.29	C	Jail ending bal at Bremer				1
27	3/31/20	910	01-003-000-0000-6354 Misc Insurance Acct	150.00	D	Wage Levy				1
28	3/31/20	910	01-000-000-0000-1001 Cash	150.00	C	Wage Levy				1
29	3/31/20	911	01-062-000-0000-6215 Postage	10,000.00	D	Postage				1
30	3/31/20	911	01-000-000-0000-1001 Cash	10,000.00	C	Postage				1
Debit Total				564,661.10		Credit Total	564,661.10	Net:		0.00

Steele County

JOURNAL ENTRIES



Descriptor MAR EOM JE'S - CASH II

RRN	Audit Date	Aud Seq	Account/Formula	Trans Amt	D/C	Desc 1	Desc 2	RC1	RC2	Basis
1	3/31/20	915	01-000-000-0000-1001 Cash	229.14	D	to corr 3/6 P/R sick pay				1
2	3/31/20	915	01-003-000-0000-6354 Misc Insurance Acct	229.14	C	to corr 3/6 P/R sick pay				1
Debit Total				229.14		Credit Total	229.14	Net:	0.00	



Steele County Agenda Item

Subject: Approve Donations to Public Health

Department: Public Health

Committee Meeting Date: Click or tap to enter a date.

Board Meeting Date: April 23, 2020

Consent Agenda: Yes No

Resolution: Yes No

Policy Committee Recommendation:

Recommendation:

Approve the donations to Public Health

Background (*Including Budget Impact*):

Per State Law, all donations must be approved by the County Board of Commissioners

Attachments:

-Donations-April 2020 (2)

-Donation Acceptance Resolution April 23,2020

STEELE COUNTY PUBLIC HEALTH

Donations

Donor & Address	Description of Items(s) donated	Quantity	Amount of Donation (\$)
Jan Grobner	Homemade Masks	30	\$300
Sarah Dombeck Eden Prairie	Homemade Masks	91	\$910
Ann Rink	Homemade Masks	17	\$170
Philomena Seykora	Cloth masks	150	\$1500
Anonymous Community Members	Homemade masks	279	\$2790
Anonymous	Material for Homemade Masks	1 bag	\$40

Date donation approved by Commissioners: _____

RESOLUTION

ACCEPTANCE OF DONATION FOR PUBLIC HEALTH

WHEREAS, Minnesota Statute §465.03 allows counties to accept grants and donations of real or personal property for the benefit of its citizens;

WHEREAS, said donations must be accepted via resolution of the County Board of Commissioners by a two-thirds majority of its members; and

WHEREAS, the Board of Commissioners finds that it is appropriate to accept the donation offered;

NOW THEREFORE BE IT RESOLVED by the Board of County Commissioners in and for the County of Steele, Minnesota, that it accepts, with sincere appreciation, the donations of:

- Jan Grobner Homemade Masks
- Sarah Dombeck, Eden Prairie, Homemade Masks
- Ann Rink, Homemade Masks
- Philomena Seykora, Cloth masks
- Anonymous Community Members, Homemade masks
- Anonymous, Material for Homemade Masks

Dated this 23rd day of April 2020.

STEELE COUNTY
BOARD OF COMMISSIONERS

Chair

CERTIFICATION

I hereby certify that the above is a true and correct copy of a Resolution duly passed, adopted and approved by the County Board of said County on the 23rd day of April 2020.

Laura Ihrke, Steele County Auditor



Steele County Agenda Item

Subject: GIS Grant: Next Generation 911

Department: GIS

Committee Meeting Date: NA

Board Meeting Date: April 23, 2020

Consent Agenda: Yes No

Resolution: Yes No

Policy Committee Recommendation: NA

Recommendation:

Approve overtime hours for the GIS Coordinator, with all associated costs being reimbursed from state grant funds.

Background (*Including Budget Impact*):

The State of Minnesota Emergency Communications Networks (ECN) has received federal grant dollars for the creation of GIS data to support Next Generation 911 (NG911) operations. Grant regulations stipulate that these funds may only reimburse overtime costs associated with creation of said NG911 GIS data. Steele County is eligible for overtime reimbursements up to \$24,758.68.

This grant is administered through the Sheriff's Southeast Emergency Communications Board (SEECB). All grant related expenditures are submitted quarterly to the SEECB for reimbursement.

Attachments:

ECN grant awards letter



Emergency Communication Networks

445 Minnesota Street • Suite 1725 • Saint Paul, Minnesota 55101-5137
Phone: 651.201.7547 • Fax: 651.296.2665 • TTY: 651.282.6555
www.ecn.state.mn.us

Alcohol and Gambling Enforcement

Bureau of Criminal Apprehension

Driver and Vehicle Services

Emergency Communication Networks

Homeland Security and Emergency Management

Minnesota State Patrol

Office of Communications

Office of Justice Programs

Office of Traffic Safety

State Fire Marshal

TO: Judy Indrelie, SEECB Regional Grant Administrator
FROM: Dan Craigie, 9-1-1 Program Manager
RE: NG9-1-1 GIS Grant Award
DATE: 4/9/2020

Judy,

Thank you for your application and commitment to the SE region of Minnesota. This letter is to inform you that the Southeast Minnesota Emergency Communications Board (SEECB) has been awarded a total amount of **\$292,966.53** for their respective GIS applications. Please reference the grant evaluation documents that accompanies this letter for an explanation of how that number was calculated & the breakdown per entity.

You will be notified through the E-Grants platform in the coming days of the next steps in accepting the grant award.

As the timeframe between the applications & award was exceptionally long, a number of requirements changed, specifically the data model in which the GIS information should use. You'll find an attached addendum that lists these changes & asks each applicant to acknowledge by signing. These signed addendums will be required to be uploaded within the E-Grants platform before acceptance.

Sincerely,

Dan Craigie



Steele County Agenda Item

Subject: Resolution – Abate Penalty on Late Property Tax Payments

Department: Treasurer's Office/Finance

Committee Meeting Date:

Board Meeting Date: April 23, 2020

Consent Agenda: Yes No

Resolution: Yes No

Policy Committee Recommendation:

Recommendation:

Adopt resolution to abate penalty for the 1st half of 2020 property taxes to July 15, 2020

Background (*Including Budget Impact*):

Steele County recognizes that some property tax owners have been financially impacted by the COVID-19 pandemic. Individuals have lost their jobs or has had their wages reduced; some businesses have temporarily closed or is operating differently and as a result, has incurred lost or reduced revenues. In an effort to provide temporary relief to its residents and businesses in Steele County, staff recommends delaying penalties for 60 days for those not able to pay their 1st half of their 2020 property taxes by the May 15th deadline.

RESOLUTION
REQUESTING THE STEELE COUNTY TREASURER ABATE THE
PENALTY ON LATE PAYMENT OF PROPERTY TAXES FOR TAXES
PAYABLE MAY 15, 2020

WHEREAS, on March 13, 2020, Governor Tim Walz issued Emergency Executive Order 20-01 declaring a Peacetime State of Emergency in response to the COVID-19 pandemic; and

WHEREAS, on March 15, 2020, Governor Walz issued Emergency Executive Order 20-02, ordering the temporary closure of all public and private schools to help slow the spread of COVID-19; and

WHEREAS, on March 16, 2020, Governor Walz issued Emergency Executive Order 20-04, ordering the temporary closure of bars, restaurants, and other places of accommodation to help slow the spread of the pandemic; and

WHEREAS, on March 16, 2020, Governor Walz issued Emergency Executive Order 20-05, providing certain relief to employers and unemployed workers during the COVID-19 emergency; and

WHEREAS, on March 20, 2020, Governor Walz issued Emergency Executive Order 20-20, requiring Minnesotans to stay at home; and

WHEREAS, Emergency Executive Order 20-05 recognizes that the economic insecurity caused by the COVID-19 pandemic will be a major concern for many Minnesotans; and

WHEREAS, Emergency Executive Order 20-15 recognizes that the State's response to the COVID-19 pandemic will result, either directly or indirectly, in the closure of many of Minnesota's small businesses; and

WHEREAS, Steele County desires to provide temporary relief to its residents and businesses within the County that have been directly or indirectly impacted by the economic pressures caused by the COVID-19 pandemic; and

WHEREAS, Steele County recognizes that as a result of unemployment, lost or reduced wages and the loss of business income, the prompt payment of property taxes will be a major economic pressure for many County residents this year; and

WHEREAS, not all individual and business property owners are experiencing financial hardship due to COVID-19 in Steele County, and those who can, should pay their property taxes by the May 15th deadline. Individual and business property owners who utilize escrow payments should continue payments as scheduled; and

WHEREAS, pursuant to Minn. Stat. § 279.01, subd. 2, the County Board may, with the concurrence of the County Treasurer, abate the penalty for late payment of property taxes; and

WHEREAS, the County Board finds that imposing a late payment on the first half of 2020 property taxes would be unjust and unreasonable; and

WHEREAS, the Steele County Administrator, County Treasurer, and County Auditor have indicated they concur with the Board's findings;

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

1. Pursuant to Minn. Stat. § 279.01, subd. 2, the County Board hereby delegates to the Steele County Treasurer the power to abate the penalty provided in Minn. Stat. § 279.01 for the payment of property taxes after May 15, 2020 through July 15, 2020.
2. The adjusted tax penalty table is as follows:

Property Type:	2020											
	May 16	June 1	July 1	July 16	Aug 1	Sept 1	Oct 1	Oct 16	Nov 1	Nov 17	Dec 1	
Homestead and Seasonal Rec.												
1st half	-	-	-	2%	4%	5%	6%	6%	7%	-	8%	
2nd half	-	-	-	-	-	-	-	2%	4%	-	5%	
Both Unpaid	-	-	-	-	-	-	-	4%	5.5%	-	6.5%	
Agricultural Homesteads												
1st half	-	-	-	2%	4%	5%	6%	6%	7%	7%	8%	
2nd half	-	-	-	-	-	-	-	-	-	2%	4%	
Both Unpaid	-	-	-	-	-	-	-	-	-	4.5%	6%	
Nonhomesteads												
1st half	-	-	-	4%	8%	9%	10%	10%	11%	-	12%	
2nd half	-	-	-	-	-	-	-	4%	8%	-	9%	
Both Unpaid	-	-	-	-	-	-	-	7%	9.5%	-	10.5%	
Agricultural Nonhomesteads												
1st half	-	-	-	4%	8%	9%	10%	10%	11%	11%	12%	
2nd half	-	-	-	-	-	-	-	-	-	4%	8%	
Both Unpaid	-	-	-	-	-	-	-	-	-	7.5%	10%	
Personal Property	-	-	-	8%	8%	8%	8%	8%	8%	8%	8%	
Manufactured Homes												
1st half	-	-	-	-	-	8%	8%	8%	8%	8%	8%	
2nd half	-	-	-	-	-	-	-	-	-	8%	8%	

This Resolution does not limit the authority of the County Board to abate taxes or property values as otherwise provided by law.

Dated this 23th day of April, 2020.

THE STEELE COUNTY BOARD OF COMMISSIONERS

By: _____
Chairperson

By: _____
County Auditor