



GOODHUE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY
Tuesday, October 3, 2006
County Boardroom
Government Center, Red Wing, MN
4:00 p.m.

Present: Commissioners: Jim Bryant, Dan Rechtzigel, Richard Samuelson, Ted Seifert,
Gary Schmidgall, Lisa Hanni, and Andrea Benck

Commissioner Rechtzigel called the meeting to order at 4:00 p.m.

Moved by C/Bryant, seconded by C/Samuelson and carried to approve the October 3, 2006, EDA Board Agenda.

Moved by C/Seifert, seconded by C/Rechtzigel and carried to approve the September 19, 2006 Board Meeting minutes as written.

Bio Zone Application

Ms. Hanni invited representatives from Cannon Falls and Zumbrota to brief the board on the Bio Zone Application information that was included in the board packet. Kathleen Miller and Dan King were present. Ms. Hanni stated that she and C/Seifert met with representatives from Dakota County and Cannon Falls and discussed Bio Zone and what it meant. What is being proposed was Goodhue and Dakota County file a joint application for Bio Zone. Basically, if you go in as a Bio Zone the biggest area you can bring in is 5,000 acres and it did not need to be in one chunk. This would have no implication on county taxes because there is no county sales tax.

Ms. Miller stated that about three weeks ago there was a quick effort to bring Dakota County and Goodhue County representatives together to talk about the potential Bio Science Zone. A variety of cities were also represented at this meeting. In 2003 the DEED did designate a BIO Zone. There has been a renewed effort for opening up application BIO Zones. Because of the governor designating Highway 52 as a Bio Zone corridor, it seemed like an opportunity to get involved. Ms. Miller pointed out that local county taxes are not deferred with the Bio Zone, the only local taxes that would be deferred would be a county sales tax, which Goodhue County does not have. Ms. Miller saw this as an economic development tool and an opportunity for cities to try to attract bio sciences to the communities. The added incentive was higher paying jobs. The City of Cannon Falls and the Cannon Falls Economic Development Authority did approve a resolution authorizing participation. The school board will be voting on it on Monday.

Mr. King felt that it was fortunate that there was an opportunity to be partnered with Dakota County. It is an important tool for the county and the cities along the Highway 52 corridor to have.

Ms. Hanni stated that in order for the cities to be included as part of the application, the county would have to approve the resolution approving the concept. If the EDA approved this it would be forwarded to the county board for approval and then sent to the cities.

C/Rechtzigel asked how many jurisdictions needed to approve it. Ms. Miller stated that the cities that were interested needed to have their boards and the school districts approval.

C/Bryant asked if this application was for cities only. The sites would be within the municipalities. Ms. Miller stated that to her knowledge was that they were the only ones interested.

C/Seifert stated that after attending the informational meeting, he was comfortable with this. Ms. Hanni stated that it was her understanding that all of the cities from Dakota and Goodhue have identified specific parcels that would go in as one bio zone. The Dakota County EDA would be the administrator of the Bio Zone. Basically, they were putting the application in to the state to say that the group wanted to be considered a Bio Zone. The state will review it and decide whether or not to grant it. If they do grant the Bio Zone that it opens up the opportunity for businesses that locate there to apply for tax credits.

Motion by C/Seifert, second by C/Bryant, motion carried to the following BIO-Zone Resolution:

WHEREAS The Minnesota Legislature found in Minnesota Session Laws 2003, 1st Special Session, Chapter 21, Article 2, as a matter of public policy, that biotechnology and the health sciences hold immense promise in improving the quality of our lives, including curing diseases, making our foods safer and more abundant, reducing our dependence on fossil fuels and foreign oil, making better use of Minnesota agriculture products, and growing tens of thousands of new, high-paying jobs.

WHEREAS The Minnesota Legislature Minnesota Session Laws 2006 Regular Session Chapter 276 (S.F. No. 3260) granted to the Minnesota Department of Employment and Economic Development the authority, in collaboration with the Minnesota Department of Revenue and the Office of Strategic and Long Range Planning, to designate one or more Biotechnology and Health Sciences Industry Zones.

WHEREAS the legislature further found that there are hundreds of discoveries made each year at the University of Minnesota, the Mayo Clinic, and other research institutions that, if properly commercialized, could help provide these benefits.

WHEREAS the Bioscience Program created in Minnesota Session Laws 2003, 1st Special Session, Chapter 21, Article 2 allows for the formation of a Bioscience Zone;

WHEREAS an application for Bioscience zone designation in Goodhue County is being prepared for submission to the Minnesota Department of Employment and Economic Development via the City of Rosemount and the Dakota County CDA; therefore,

BE IT RESOLVED that Goodhue County, at its meeting held on 3rd day of October 2006, upon careful consideration and review, approves the specific areas proposed in the application for a Bioscience zone, approves of the use of tax exemptions and tax credits within the proposed zone (subject to proper review and approval by the other appropriate taxing authorities within the zones), and encourages the Minnesota Department of Employment and Economic Development to approve the Bioscience Zone Application being submitted by the City of Rosemount as applicant with the Dakota County CDA as zone administrator.

BE IT FURTHER RESOLVED that Goodhue County agrees to provide all of the local sales and use tax exemptions provided for under the Bioscience Zone.

Cannon Falls Tax Increment Financing District

Ms. Miller reported that the city of Cannon Falls has undergone a major street improvement project. With that project, they found out that they could assess less than they originally thought. The city is working with Ehlers and Associates and they have found that there were two older TIF districts that had some flexibility. Ehlers

suggested that the city modified their TIF district then they could use that money to pay for the increase costs that the city incurred as a result of the street project. This did not mean that there was any additional tax dollars that are taken away from the county or the school district.

C/Rechtzigel pointed out that this was only asking the county to waive the thirty day notification requirement.

C/Samuelson asked when the TIF expires. Ms. Miller was not sure.

C/Bryant noted that the Public Hearing is not until November 2, 2006. That is close to thirty days anyway.

Motion by R. Samuelson, second by G. Schmidgall, motion carried to approve to waive the thirty day notification requirement for the City of Cannon Falls proposed modification to the Tax Increment Financing District.

2007 EDA Budget

Ms. Hanni stated that she and Ms. Benck reviewed the first draft budget for EDA. Originally there was approximately \$49,000 budgeted. Ms. Benck reviewed the line item detail with the board. She noted that the levy increase for 2007 included the shifting of the Economic Abatements from the General Fund to the EDA Fund. 2007 would be the first year that EDA was considered its own fund and the abatements should be budgeted in that fund. All other line items were kept close to the same amount as budget for 2006. Ms. Benck also handed out information regarding the EDA budget to date in addition to information regarding outside agency funding for 2007. To date, only the Initiative Foundation requested funding for 2007; however, Ms. Benck budgeted the same funding for the all of the organizations the board funded in the past.

Ms. Hanni asked the board if they would like to make any additional changes to the budget. The management team would be bringing the second draft of the budget to the board on November 7, 2006. It would be helpful to know if the EDA board wanted to make any changes. Ms. Hanni asked if all of the outside agencies were shifted to the EDA budget. Ms. Benck stated that only the outside agencies that are typically funded by the EDA board were included in the EDA budget.

Ms. Hanni asked the board for direction. C/Bryant asked about the consultant fees and what that was used for. Ms. Benck stated that was for the use of Ron Ziegler.

C/Rechtzigel remembered that there was a huge jump from the dollar figure from 2006 to 2007. He asked if that was corrected. Ms. Benck stated that she cut about \$11,000 from the original request. It still looks like a big dollar increase over 2006, but there was the shift of the tax abatements from the general fund in addition to the fact that there were no reserves to help offset the expenses like in years past.

C/Bryant stated that the management team would be looking at the second draft budget. He questioned if there needed to be a motion to approve the budget. C/Rechtzigel suggested that they approve a budget no higher then this amount.

Motion by C/Seifert, seconded by C/Rechtzigel, motion carried to approve that the 2007 Economic Development Authority budget does not exceed \$38,135.

Red Wing Visitor and Convention Bureau Update

Cathy Silverthorne briefed the board. Ms. Silverthorne distributed information on what the state is doing to promote tourism. Goodhue County is only a year behind getting SIC codes for tourism related businesses. Ms. Silverthorne stated that she would like to be in touch with the commissioners via email so that she can assure that she is has accurate information.

C/Bryant noted that on the information she distributed some of the golf courses are not in Goodhue County. Ms. Silverthorne stated that that is the kind of information she was looking for.

Ms. Silverthorne thanked the board for their continued support.

Motion by C/Samuelson, second by C/Bryant, motion carried to adjourn the County EDA meeting.

Respectfully Submitted,

Lisa Hanni

Acting Executive Secretary