



GOODHUE COUNTY
ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, September 7, 2004

County Boardroom

Government Center, Red Wing, MN

1:00 p.m.

Present: Commissioners: Roseanne Grosso, Jim Bryant, Bob Noah, and Ted Seifert, Brad Johnson, David Hamilton, Stacy Mehrkens, Stephen Betcher, Carol Cerney, Shari Kullman

Commissioner Noah called the meeting to order at 1:13 p.m.

C/Grosso move, R/Samuelson second, carried to approve the July 20th, 2004 meeting minutes.

D/Hamilton asked that the 1916 School issue be moved to item #1, C/Grosso move, C/Seifert second to approve the September 7th, meeting agenda.

1916 School Court & Jail Bonds – Brad Johnson

Mr. Johnson reported that in order to ensure that a sale or other disposition of the 1916 Building does not affect the Court Bonds nor the Jail Bonds, our host council has drafted the resolutions and amendments to the bond documents. Staff's recommendation was to approve the amendments and resolutions.

Moved by C/Seifert, C/Bryant second, motion carried to approve the following resolutions authorizing the amendment of certain ground leases and a lease agreement with the Goodhue County Economic Development Authority:

BE IT RESOLVED by the Board of Commissioners of Goodhue County, Minnesota (the "County"), as follows:

Authorization and Sale

Authorization

The County is required by law to provide adequate facilities for the county courts, jails and related administrative offices and has heretofore determined that the most efficient way to do so is to lease-purchase the facilities pursuant to the authority granted by Minnesota Statutes, Section 465.71. The property upon which such facilities are located is within Economic Development District No. 1 of the Goodhue County Economic Development Authority (the "Authority") duly created by the Authority pursuant to Laws of Minnesota 1993, Chapter 375, Article 17, Section 24 and Minnesota Statutes, Section 469.101. Within Economic Development District No. 1, acting pursuant to the provisions of Minnesota Statutes, Sections 469.090 through 469.1082, the Authority has the power to acquire real property, by lease or otherwise, and lease it and facilities located thereon to the County.

Amendment. Pursuant to such authority, the Authority and the County have previously entered into the following agreements, among others, respecting the lease and lease-back of land in connection

with County courts, jails and administrative buildings:

- A. A Ground Lease dated as of December 1, 1996 (the "Jail Ground Lease");
- B. A Ground Lease dated as of August 1, 1997 (the "Courts Ground Lease"); and
- C. A First Amendment to Lease Agreement dated as of April 1, 1998, amending a Lease Agreement dated as of December 1, 1996 (the "First Amendment to Lease") (A-C together, the "Prior Leases").

A certain portion of the land leased by the Prior Leases is proposed to be released (the "Release") there from. The Authority therefore approves forms of the following documents for the purpose of affecting such Release:

- A. A First Amendment to Ground Lease (amending the Jail Ground Lease) dated as of August 1, 2004;
- B. A First Amendment to Ground Lease (amending the Courts Ground Lease) dated as of August 1, 2004; and
- C. A Second Amendment to Lease Agreement dated as of August 1, 2004, amending the First Amendment to Lease (together, the "Amendments").

The Chair and County Auditor are hereby authorized and directed to execute and deliver the Amendments in the name and on behalf of the County with such variations, omissions and insertions as the Chair and County Auditor shall approve, which approval shall be conclusively presumed by the execution and delivery of said documents by the Chair and County Auditor.

AND

THIS FIRST AMENDMENT TO GROUND LEASE, dated as of the 1st day of August, 2004, between the GOODHUE COUNTY ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic of the State of Minnesota, having its principal office and address at the Goodhue County Courthouse, Red Wing, Minnesota (hereinafter, referred to as the "Authority"), and GOODHUE COUNTY, MINNESOTA, a political subdivision of the State of Minnesota having its main office at the Goodhue County Courthouse, Red Wing, Minnesota (the "County");

W I T N E S S E T H:

WHEREAS, the County and the Authority have entered into a Ground Lease dated as of August 1, 1997 (the "Original Lease"), pursuant to which the County has ground leased the Premises, as defined therein, to the Authority; and

WHEREAS, the Authority by resolution dated June 22, 2004, has released its interest in a portion of the Premises;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto DO HEREBY AGREE as follows:

Release. The description of the Premises appearing on Exhibit A to the Original Lease shall be replaced with that appearing on Exhibit A attached hereto.

Execution Counterparts. This First Amendment to Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Effect of First Amendment to Ground Lease. This First Amendment to Ground Lease supplements and amends the Original Lease and shall be a part and subject to all of the terms thereof. Except as amended or supplemented hereby, the Original Lease shall continue in full force and effect.

Recordation of First Amendment to Ground Lease. The County will, at its option and expense, cause this First Amendment to Ground Lease or a memorandum hereof to be filed for record in the office of the County Recorder for Goodhue County, Minnesota.

IN WITNESS WHEREOF, the Authority and the County have caused this First Amendment to Ground Lease to be executed in their respective names and attested by duly authorized officers, all as of the date first above written.

AND

THIS FIRST AMENDMENT TO GROUND LEASE, dated as of the 1st day of August, 2004, between the GOODHUE COUNTY ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic of the State of Minnesota, having its principal office and address at the Goodhue County Courthouse, Red Wing, Minnesota (hereinafter, referred to as the "Authority"), and GOODHUE COUNTY, MINNESOTA, a political subdivision of the State of Minnesota having its main office at the Goodhue County Courthouse, Red Wing, Minnesota (the "County");

WITNESSETH:

WHEREAS, the County and the Authority have entered into a Ground Lease dated as of December 1, 1996 (the "Original Lease"), pursuant to which the County has ground leased the Premises, as defined therein, to the Authority; and

WHEREAS, the Authority by resolution dated June 22, 2004, has released its interest in a portion of the Premises;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto DO HEREBY AGREE as follows:

Release - The description of the Premises appearing on Exhibit A to the Original Lease shall be replaced with that appearing on Exhibit A attached hereto.

Execution Counterparts . This First Amendment to Ground Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Effect of First Amendment to Ground Lease. This First Amendment to Ground Lease supplements and amends the Original Lease and shall be a part and subject to all of the terms thereof. Except as amended or supplemented hereby, the Original Lease shall continue in full force and effect.

Recordation of First Amendment to Ground Lease. The County will, at its option and expense, cause this First Amendment to Ground Lease or a memorandum hereof to be filed for record in the office of the County Recorder for Goodhue County, Minnesota.

IN WITNESS WHEREOF, the Authority and the County have caused this First Amendment to Ground Lease to be executed in their respective names and attested by duly authorized officers, all as of the date first above written.

AND

THIS SECOND AMENDMENT TO LEASE AGREEMENT, dated as of the 1st day of August, 2004, between the GOODHUE COUNTY ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic of the State of Minnesota, having its principal office and address at the Goodhue County Courthouse, Red Wing, Minnesota (hereinafter, referred to as the "Authority"), and GOODHUE COUNTY, MINNESOTA, a political subdivision of the State of Minnesota having its main office at the Goodhue County Courthouse, Red Wing, Minnesota (the "County");

WITNESSETH:

WHEREAS, the County and the Authority have entered into a Lease Agreement dated as of December 1, 1996 (the "Original Lease"), pursuant to which the Authority has leased the Land and Jail, as defined therein, to the County for rentals sufficient to pay the principal and interest on the Series 1996A Bonds, as defined therein, when due; and

WHEREAS, in connection with the issuance of certain Series 1998A Bonds, and to provide for the payment and security thereof, it was necessary and desirable to amend the Original Lease by execution and delivery of a First Amendment to Lease Agreement, dated as of April 1, 1998 (the "First Amendment to Lease Agreement"); and

WHEREAS, the Authority by resolution dated June 22, 2004, has released its interest in a portion of the Land;

NOW, THEREFORE, in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto DO HEREBY AGREE as follows:

Release. The description of the Land appearing on Exhibit A to the Original Lease, as amended by the First Amendment to Lease Agreement, shall be replaced with that appearing on Exhibit A attached hereto.

Execution Counterparts. This Second Amendment to Lease Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Effect of Second Amendment to Lease Agreement. This Second Amendment to Lease Agreement supplements and amends the Original Lease and shall be a part and subject to all of the terms thereof. Except as amended or supplemented hereby, the Original Lease, as amended by the First Amendment to Lease Agreement, shall continue in full force and effect.

IN WITNESS WHEREOF, the Authority and the County have caused this Second Amendment to Lease Agreement to be executed in their respective names and attested by duly authorized officers, all as of the date first above written.

JOBZ Resolution – Shari Kullman

The attached Resolution gives the Port Authority the opportunity to move the designated job zone, would like to have the Jostens building included and will be giving up some bare land.

C/Bryant asked how many acres total are in the job zone; Ms. Kullman stated that 33 acres are in the zone, C/Noah commented that many people are waiting to see how it all works out.

Motion made by C/Grosso, seconded by C/Seifert, motion carried to approve the presented resolution regarding the JOBZ zone.

RESOLUTION TO APPROVE APPLICATION TO MINNESOTA DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT TO MODIFY RED WING'S JOB OPPORTUNITY BUILDING ZONE

WHEREAS, Red Wing, Minnesota has lost employers or lost employment opportunities to other states and/or overseas due to lack of competitive business climate and/or lack of proper and competitive incentives; and

WHEREAS, the resulting effects of such lagging job creation, business development and individual wealth growth have harmed and are forecasted to continue to harm the economy of Red Wing, Minnesota and have been magnified by the recent announcement of the closing of Jostens Manufacturing Red Wing facility; and

WHEREAS, the Job Opportunity Building Zone (JOBZ) Program created in Minnesota Session Laws 2003, 1st Special Session, Chapter 21, Article 1 allows for the formation and subsequent amendment of tax free zones; and

WHEREAS, the City of Red Wing desired to make application to the Department of Employment and Economic Development to include the soon-to-be vacated Jostens manufacturing facility in the City's JOBZ zone (7.04 acres and remove a similar number of JOBZ designated acres (6.97 acres) from Red Wing's JOBZ zone.

BE IT RESOLVED, the Goodhue County Board agrees to provide all the local tax exemptions and credits required and provided under the Job Opportunity Building Zone (JOBZ) Legislation and agrees to forgo the tax benefits resulting from the local and state tax exemptions and credits provided under the Job Opportunity building Zone (JOBZ) Legislation.

Southern MN Initiative Foundation – Carol Cerney

Ms. Cerney reminded the Board that there is a community forum coming up at the Indigo Room, lunch will be provided and the purpose is to update the local community and business leaders about the Foundation and what is going on in the Community. October 28th is the next Voices for MN keynote luncheon. Ms. Cerney pointed out that every dollar that is contributed to the foundation is matched dollar for dollar, asking that in 2005 the EDA Board will continue to fund at last years level and possibly look at giving more money in the future. Ms. Cerney pointed out on the facts side that the Initiative Foundations checkbook has spent over 4.2 million dollars, and 84% was spent directly on programs, including improving current programs.

Mr. Hamilton noted that the next EDA meeting will be on November 2nd at which time the 2005 budget will be set. C/Bryant asked the financial reports be brought to the next EDA meeting.

C/ Bryant move to adjourn the EDA meeting.

Respectfully Submitted,

David Hamilton

Executive Secretary