

**Board Minutes of the
Martin County EDA
April 1st, 2024 at 5:15 pm**

The regular meeting of the Martin County Economic Development Authority was called to order by Wes Anderson at 5:15 pm. Those present were: Wes Anderson, Brent Schultze, Steve Fosness, Tim Terfehr, Jaime Bleess and Richard Koons Absent: Elizabeth Miller Also, present were Scott Higgins, County Coordinator, Amber Patten, CEDA, Joshua Schuetz. CEDA, Mike Sheplee, County Assessor and Scott Reimer, CEO of Federated Rural Electric Association (Virtual).

Approval of Agenda

Schuetz requested that item 6.4 be brought to the beginning of the agenda.

Higgins asked for the removal of item 7.1, as there were no bills to approve.

Motion by Fosness, seconded by Bleess, to approve the agenda as with the changes as presented. Carried unanimously.

Consider Approval of Round 10 Border to Border Letters of Support for Federated REA

Reimer requested board approval of two letters of support for Federated REA's application to Round 10 of the Minnesota Department of Employment and Economic Development's Border to Border Grant.

Two letters of support were presented-a general letter of support and a letter reaffirming the EDA's financial pledge to FREA's project through the Martin County Broadband Partnership Program.

Reimer stated that DEED encouraged FREA to reapply after they were denied in the previous round of applications. A map was provided by Reimer to the board illustrating the areas for which funding is being applied. Reimer stated that 60 percent of the EDA's pledge would be utilized for the project. DEED would fund 75 percent of the project, which is projected to cost roughly \$9 million.

Motion by Koons, seconded by Bleess to approve the letters of support on behalf of the Martin County EDA for Federated REA's application to Round 10 of the Border to Border Grant Program. Carried unanimously.

Consider Approval of Revisions to Martin County Tax Abatement Program

Sheplee spoke before the board regarding the Martin County Property Tax Abatement Program and potential change to the policy.

10 year time period, the county would return \$600,000 and cities and townships will collect \$300,000 and school districts receive \$500,000.

Sheplee stated the process is going well and a change was made to require applicants to sign a document that states their understanding that the process will take six weeks and they must not start construction until approval. Koons said two applications were turned down due to that.

Two changes were proposed to the policy, one regarding second homes, lake homes and cabins that are not the primary residence of the applicant. The proposed change would make primary residences the only eligible form of housing to be abated. Rental properties with leases of 30 or more days in length would qualify, which was designed to prevent VRBOs and other short-term rentals.

Koons said another change that needs to be looked into is how one loses the abatement, as currently the abatement transfers if ownership transfers.

Motion by Koons, seconded by Fosness to approve the changes to the tax abatement program.

Discussion was had regarding the exclusion of secondary residences and cabins from the abatement. Motion withdrawn by Koons to allow additional discussion regarding the verbiage as to what would qualify as a second home.

Schultze asked why, since the program's aim is to create more taxable properties, why would an exclusion be made for secondary homes and short-term rentals.

Koons asked why, if someone is going to build a recreational cabin, the county should go without taxes.

Schultze asked why rental properties are allowed. Koons said this is to encourage duplexes and multi-family housing.

Koons said the proposed verbiage would reduce the number of applications and make decision making easier for the board of commissioners.

Motion to approve the proposed changes to the tax abatement program reinstated by Koons.

Fosness said if the goal is to create new housing, there should be no restriction.

Koons said it does not because if a person is using two houses, no new housing is created until the individual sells the home or dies.

Koons said the revisions are to slow the number of applications for second homes and cabins.

Fosness withdrew his second to Koons's motion.

Schultze said there are reasons why having two primary residents might be better, but asked what difference it would make from a tax standpoint if all the county is trying to do is grow the tax base.

Koons said the goal of the program is to create houses to be lived in.

No action was taken on the item.

Approval of Minutes

Motion by Fosness, seconded by Terfehr to approve the minutes of the March 4th EDA meeting. Carried unanimously.

Retail Coach Update

Patten updated the board regarding work with the Retail Coach. Patten stated 8-10 businesses are still interested in Fairmont.

EDA Activity Report

Schuetz and Patten reviewed the March EDA Activity Report with the Board. Work on 18 projects was performed in March

Review and Approval of 2023 Annual Report

Patten and Schuetz reviewed the 2023 Martin County EDA Annual Report with the board.

Motion by Koons, seconded by Fosness to approve 2023 Annual Report. Carried unanimously.

Consider Approval of LOIS Integration to EDA Website

Patten requested board authorization to integrate LOIS into the EDA website. LOIS is offered by Minnesota DEED at no cost to EDAs. It serves as a list of commercial properties in Martin County currently for sale. Patten said the only cost would be for Ad MFG to integrate it into the EDA website, at a cost of \$27.50.

Motion by Terfehr, seconded by Bleess to approve integrating LOIS into the EDA website. Carried unanimously.

Financials

Higgins reviewed the CY2024 Financials with the board.

Motion by Koons, seconded by Terfehr to approve the financials. Carried unanimously.

Adjournment

Motion by Fosness, seconded by Schultze to adjourn the meeting. Carried unanimously.

The board meeting of the Martin County EDA was adjourned at 6:34 p.m.

Wes Anderson

Wes Anderson, Board President

Tim Terfehr, Board Secretary/Treasurer