

COUNTY OF LE SUEUR, MINNESOTA

A RESOLUTION BY THE LE SUEUR COUNTY BOARD OF COMMISSIONERS FOR
RELEASE AND TERMINATION OF THE JOINT TAX ABATEMENT PROGRAM WITH
CITY OF LE SUEUR

WHEREAS, Le Sueur County Board of Commissioners (the “County”) passed a resolution dated November 22, 2006, authorizing the abatement of property taxes on three specific parcels of land located within the municipal limits of the City (the “Abatement Resolution”), attached hereto and incorporated herein by reference as Exhibit A; and

WHEREAS, the County is additionally a party to a Joint Powers Agreement with the City of Le Sueur (the “City”), dated December 12, 2022, which outlines the terms and conditions for the twenty-year abatement term for the three specific parcels of land, for tax payable years 2007 through 2026 (the “Agreement”), attached hereto and incorporated herein by reference as Exhibit B; and

WHEREAS, pursuant to Minn. Stat. § 469.1813, if the abatement resolution does not provide that the abatement may not be modified or changed, the governing body of the political subdivision may review and modify the abatement every second year after it was approved; and

WHEREAS, the parties have reviewed and discussed the above-described abatement and the County and the City have mutually agreed and request that the parties be released from the terms and conditions described in the Abatement Resolution and terminate the tax abatement program; and

WHEREAS, the parties agree that there remains a mutual benefit in maintaining the Joint Highway 169 Abatement Committee and the program funds as defined in the Agreement, and have thus drafted a new joint powers agreement to guide and instruct usage of funds generated by the abatement program (“Modified Agreement”), attached hereto and incorporated herein by reference as Exhibit C.

NOW, THEREFORE, BE IT RESOLVED BY THE LE SUEUR COUNTY BOARD OF COMMISSIONERS THAT:

1. The above-referenced Abatement Resolution authorizing the joint tax abatement program is hereby modified by shortening the term of the abatement so as to expire effective December 31, 2025, as of which the Abatement Resolution shall be terminated, released, and of no further force and effect.
2. The Agreement, dated December 12, 2022, is hereby terminated.
3. The Modified Agreement is hereby agreed to and adopted.

4. The County Administrator is authorized and directed to execute any and all such documents as are necessary to effectuate the termination of the above-referenced Abatement Resolution and Agreement, and to effectuate the adoption of the Modified Agreement, consistent with this resolution.

PASSED by the Le Sueur County Board of Commissioners on this 17th day of February 2026.

ATTEST

Joe Martin
County Administrator

Daniel O'Keefe
Board Chair

EXHIBIT A

Ed Tscheida, Le Sueur Development Corp. updated the Board on the City of Le Sueur tax abatement proposal. Discussion was held related to the process and how the abated funds would be used. On motion by Doherty, seconded by Stangler and approved 4-1 with Culhane voting nay, the Board adopted the following resolution setting a public hearing for November 14, 2006:

RESOLUTION CALLING FOR A PUBLIC HEARING
ON PROPOSED PROPERTY TAX ABATEMENT FOR LE SUEUR HILLTOP TRANSPORTATION
INFRASTRUCTURE IMPROVEMENT PROJECT

WHEREAS, Minnesota Statutes, Sections 469.1812 through 469.1815, inclusive (the "Act"), authorize the County of Le Sueur, Minnesota (the "County"), upon satisfaction of certain conditions, to grant an abatement of all or part of the taxes levied by the County on improvements made to certain property; and

WHEREAS, the County is considering such action in order to fund a transportation infrastructure improvement project in order to stimulate new commercial/industrial development and tax base enhancement; and

NOW THEREFORE, BE IT RESOLVED by the County Board of the County of Le Sueur, Minnesota, as follows:

1. **Public Hearing.** This Board shall meet on Tuesday, November 14, 2006, at 10:00 a.m., to hold a public hearing on the consideration of granting a property tax abatement all pursuant to and in accordance with the Act.
2. **Notice of Hearing.** The County Coordinator is hereby authorized and directed to cause notice of said hearing in substantially the form attached hereto as Exhibit A to be given one publication in a newspaper of general circulation in the County at least 10 days but not more than 30 days before the hearing. The newspaper must be one of general interest and readership in the County, and must be published at least once per week.

STATE OF MINNESOTA

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COUNTY OF LE SUEUR

I, Ronald Gernscheid, Auditor of said County of Le Sueur, do hereby certify that I have compared the foregoing copy with the original resolution as adopted by the County Board of said County at their meeting held on the 10th day October, 2006 and recorded in Commissioner Record Book R page 554, now remaining on file and on record, in my office and that the same is a correct transcript there from, and of the whole of such original.

Witness by hand and official seal this 22nd day of November, 2006.

Ron Gernscheid
County Auditor *R.G.*

At 10:00 AM the Board Chair opened the Public Hearing on the City of Le Sueur tax abatement proposal. Discussion was held regarding the authorization and use of the rededicated tax funds for transportation. Ed Tschida, Advance Resource Development, spoke for the city about the uses of the tax funds, including a transportation study to be done on the 169 Hilltop corridor. Resident Loretta King spoke to the issue and County Engineer Darrell Pettis was present.

On motion by Doherty, seconded by Culhane and unanimously approved, the Board closed the tax abatement proposal public hearing.

On motion by Doherty, seconded by Hayes and unanimously approved, the Board adopted the following resolution:

**RESOLUTION APPROVING PROPERTY TAX ABATEMENTS FOR THE
PROPOSED LE SUEUR HILLTOP TRANSPORTATION
INFRASTRUCTURE IMPROVEMENT PROJECT**

NOW THEREFORE, BE IT RESOLVED by the County Board (the "Board") of Le Sueur County (the "County"), as follows:

1. **Recitals.**

- (a) In order to promote transportation infrastructure improvements within the US Highway 169 Le Sueur Hilltop Corridor, the Board is establishing a Property Tax Abatement program (the "Abatement Program") on three parcels. The following specific parcels (the "Property") are included in the Abatement Program:

Parcel Number
R21.019.5000
R.21.020.0300
R.21.020.0400

- (b) Currently, the County's portion of the property tax abatement ("the Abatement") is estimated at \$54,005 per year and at \$1,080,100 over the twenty-year period.
- (c) The proposed duration of the Abatement Program is January 1, 2007 through December 31, 2026 inclusive.
- (d) The Abatement program is contingent upon the formation of a County/City Joint Powers Agreement.
- (e) The County will transfer to the city of Le Sueur the Abatement to fund transportation infrastructure improvements within the US Highway 169 Le Sueur Hilltop Corridor. Upon completion of these improvements the County will terminate the Abatement program.
- (f) On the date hereof, the Board held a public hearing on the question of the Abatement, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice hereof.
- (g) The Abatement is authorized under Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law").

2. **Findings for the Abatement.** The County Board hereby makes the following findings:
- (a) The Board expects the benefits to the County of the Abatement to at least equal the costs thereof; and
 - (b) Granting the Abatement is in the public interest because it will fund essential transportation infrastructure improvements, increase or preserve the tax base of the County, help retain and expand industrial and commercial development in the County and provide employment opportunities in the County; and
 - (c) The Board expects the public benefits described in 2(b) above to be derived from the Abatement.
3. **Terms of Abatement.** The abatement is hereby approved. The terms of the abatement are as follows:
- (a) The Abatement duration for each affected tax parcel shall not exceed twenty (20) years. The Abatement shall apply to the taxes payable in tax payable years 2007 through 2026, inclusive.
 - (b) The Abatement shall be for 100% of the County's share of the ad valorem property taxes generated by the Property.
 - (c) The Abatement may not be modified or changed during the term set forth in 3(a) above, except with the prior written consent of the Board.
 - (d) The County will transfer to the city of Le Sueur the Abatement to fund transportation infrastructure improvements within the US Highway 169 Le Sueur Hilltop Corridor.
 - (e) In any year, the total amount of property taxes abated by the County by this and other resolutions does not exceed the greater of ten percent (10%) of the current levy or \$200,000.
 - (f) The Abatement shall be subject to all the terms and limitations of the Abatement Law.
 - (g) The Abatement has been determined not to be a business subsidy pursuant to Minnesota Statutes, 16J.993, subdivision 3.
 - (h) For the term of the Abatement, the Property will not be located in a tax increment financing district.
 - (i) The Abatement program is contingent upon the formation of a County/City Joint Powers Agreement.

STATE OF MINNESOTA

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COUNTY OF LE SUEUR

I, Ronald Gernscheid, Auditor of said County of Le Sueur, do hereby certify that I have compared the foregoing copy with the original resolution as adopted by the County Board of said County at their meeting held on the 14th day, November 2006 and recorded in Commissioner Record Book R page 564 now remaining on file and on record in my office and that the same is a correct transcript therefrom, and of the whole of such original.

Witness by hand and official seal this 22nd day of November, 2006.

Ron Gernscheid
County Auditor

By BF

EXHIBIT B

~~EXHIBIT A~~

City of Le Sueur and Le Sueur County Joint Powers Agreement Le Sueur Highway 169 Hilltop Property Tax Abatement Program

1. OVERVIEW

Minnesota Statutes Sections 469.1812 through 469.1815 authorize the County of Le Sueur, Minnesota ("County") and City of Le Sueur, Minnesota ("City"), upon satisfaction of certain conditions, to grant an abatement of all or part of the taxes levied to certain property.

The County and City wish to foster improvement projects in the Minnesota State Highway 169 Hilltop Corridor within the City of Le Sueur ("Corridor") to stimulate development, expand the joint tax base, and enhance employment opportunities. In this spirit, a twenty-year abatement program ("Program") was established in 2006, as authorized by County (see Appendix B) and City (see Appendix C) resolutions.

This Joint Powers Agreement ("Agreement") formalizes the Program established between the respective governing bodies of the County and City: the Le Sueur County Board of Commissioners ("Board") and City of Le Sueur City Council ("Council").

2. TERMS

- I. The three parcels involved in the abatement program shall be 21.019.5000, 21.020.0300, and 21.020.0400 ("Parcels").
- II. The duration of the abatement program is January 1, 2007 through December 31, 2026. The abatement shall apply to the taxes payable in tax years 2007 through 2026.
- III. The abatement shall be for 100 percent of the County's share of the ad valorem property taxes generated by the Parcels.
- IV. The City shall contribute ad valorem property taxes generated by the Parcels to the abatement fund.
- V. The abatement may not be modified or changed during the term set forth, except by the mutual agreement of both Board and Council.
- VI. The County expects the benefits to the County of the abatement to at least equal the costs thereof.
- VII. The City agrees to accept payment from County, and to hold and disburse funds from the property abatement for approved infrastructure projects.

- VIII. The City shall provide an annual report to the County in December of each year. The report must include the following: a) fund balances; b) past expenditures; c) planned expenditures; and d) economic development results from expenditures (e.g. new businesses, jobs, tax base enhancements). Failure to provide acceptable annual reports may lead to withholding of future abatement payments from the County.
- IX. This agreement establishes the formation of a Joint Highway 169 Abatement Committee ("Committee"). The makeup of the Committee shall be as follows:
- a. County Administrator
 - b. City Administrator
 - c. Two Board Commissioners: the Board shall annually nominate two commissioners
 - d. Two members of Council: the Council shall annually nominate two councilmembers

The Committee shall meet a minimum of once per calendar year to evaluate potential projects, evaluate the health of the abatement fund, and ensure the spirit of this agreement is maintained.

3. PROGRAM FUND DISBURSEMENT

- I. Funds generated by the Program may be disbursed at any point during the life of the Program.
- II. Funds generated by the Program shall be disbursed only for projects included within the defined benefit area (Section 4).
- III. Funds generated by the Program shall be disbursed to projects following a defined process. Specifically:
 - a. The Committee shall review potential projects to ensure they meet the eligible use guidelines contained within this Section.
 - b. The Committee will present recommendations for fund disbursement(s) to the Board for review and comment.
 - c. Following review and comment from the Board, the recommendation(s) may be revised by the Committee and returned to the Board for reevaluation, if necessary.
 - d. Final recommendations shall be brought to the Council for formal approval by vote of the Council majority, followed by disbursement of approved funds.
 - e. Any disbursement shall be considered final.
- IV. Funds shall be used to support or promote one or more of the following types of projects within the public Right-of-Way and/or dedicated drainage or utility easement(s):
 - a. Transportation infrastructure
 - b. Utility Infrastructure
- V. Funds shall not be disbursed for the following circumstances or purposes:
 - a. Direct or indirect business subsidy to any individual, group, corporation (public or private), or other entity.

4. DEFINED BENEFIT AREA

- I. This agreement defines the Program benefit area as follows (see also Appendix A for benefit boundaries):
 - a. That area contained within the City of Le Sueur municipal limits along Minnesota State Highway 169 from the southern intersection of Doppy Lane and Minnesota State Highway 169 extending northeasterly along Highway 169 to a point approximately 0.25 miles northeast of Henderson Station Road.

5. PROVISIONS FOR TERMINATION

- I. This Agreement shall continue in force until December 31, 2035. Early termination may be provided for in the following circumstances:
 - a. Formal majority vote action by County and City to terminate the agreement; or
 - b. Program funds have been exhausted.
- II. Distribution of funds upon termination:
 - a. Any monies remaining in the abatement fund upon termination of the agreement shall be disbursed to the City and County in proportion to each entity's total contribution to the fund.

APPROVAL AND EXECUTION

This agreement shall be effective the 12 day of December, 2022. Further, by signing this agreement, all past agreements, arrangements, covenants, or settlements regarding the abatement are hereby terminated.

Le Sueur County

City of Le Sueur

By: [Signature]

By: [Signature: Aaron T. King]

Chairperson

Mayor

By: [Signature]

By: [Signature]

Administrator

Administrator

Dated: 12-20-2022

Dated: 12-13-2022

Appendix A



EXHIBIT C

City of Le Sueur and Le Sueur County Joint Powers Agreement Le Sueur Highway 169 Hilltop Property Tax Abatement Program

1. OVERVIEW

In the interest of fostering improvement projects in the Minnesota State Highway 169 Hilltop Corridor within the City of Le Sueur (“Corridor”) to stimulate development, expand the joint tax base, and enhance employment opportunities, the City of Le Sueur (“City”) and Le Sueur County (“County”) jointly established a twenty-year abatement program (“Program”). The Program was established in 2006 and terminated by resolution in 2026.

This Joint Powers Agreement (“Agreement”) supersedes any/all prior agreements between the City and County in relation to the Program, and establishes the terms and procedures by which funds generated by the Program shall be disbursed. Funds generated over the term of the Program have been, and shall continue to be, maintained by the City of Le Sueur, in a dedicated fund (“Fund”).

2. TERMS

- I. The Agreement establishes the formation of a Joint Highway 169 Abatement Committee (“Committee”). The makeup of the Committee shall be as follows:
 - a. Le Sueur County Administrator
 - b. Le Sueur City Administrator
 - c. Two County Board of Commissioners (“Board”) Commissioners: the Board shall annually nominate two commissioners
 - d. Two members of Le Sueur City Council (“Council”): the Council shall annually nominate two councilmembers

The Committee shall meet as needed to evaluate potential projects, evaluate the health of the Fund balance, and ensure the spirit of the Agreement is maintained.

3. PROGRAM FUND DISBURSEMENT

- I. Funds generated by the Program may be disbursed at any point during the life of the Agreement.
- II. Funds generated by the Program shall be disbursed only for projects included within the defined benefit area (Section 4).
- III. Funds generated by the Program shall be disbursed for projects following a defined process. Specifically:
 - a. The Committee shall review potential projects to ensure they meet the eligible use guidelines contained within this Section.

- b. The Committee will present recommendation(s) for fund disbursement(s) to the Board for review and comment.
 - c. Following review and comment from the Board, the recommendation(s) may be revised by the Committee and returned to the Board for reevaluation, if necessary.
 - d. Final recommendation(s) shall be brought to the Council for formal approval by vote of the Council majority, followed by disbursement of approved funds.
 - e. Any disbursement shall be considered final.
- IV. Funds shall be used to support or promote one or more of the following types of projects within the public Right-of-Way and/or dedicated drainage or utility easement(s):
- a. Transportation infrastructure
 - b. Utility Infrastructure
- V. Funds shall not be disbursed for the following circumstances or purposes:
- a. Direct or indirect business subsidy to any individual, group, corporation (public or private), or other entity.

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- I. This Agreement shall continue in force until December 31, 2035. Early termination may be provided for in the following circumstances:
- a. Formal majority vote action by County and City to terminate the agreement; or
 - b. Program funds have been exhausted.
- II. Distribution of funds upon termination:
- a. Any monies remaining in the Fund upon termination of the agreement shall be disbursed to the City and County in proportion to each entity's total contribution to the Fund.

APPROVAL AND EXECUTION

This agreement shall be effective the _____ day of _____, _____. Further, by signing this agreement, all past agreements, arrangements, covenants, or settlements regarding the abatement are hereby terminated.

Le Sueur County

City of Le Sueur

By: _____
Chairperson

By: _____
Mayor

By: _____
Administrator

By: _____
Administrator

Dated: _____

Dated: _____

Appendix A

