

**MINUTES OF THE
OTTER TAIL COUNTY BOARD OF COMMISSIONERS
Government Services Center, Commissioners' Room
500 Fir Avenue W., Fergus Falls, MN
Tuesday, June 13, 2006
9:30 a.m.**

Call to Order

The Otter Tail County Human Services Board convened Tuesday, June 13, 2006, at 9:31 a.m., at the Otter Tail County Government Services Center with Commissioners Roger Froemming, Chair; Dennis Mosher, Vice-Chair; Bob Block, Syd Nelson, and Malcolm Lee present.

Approval of Agenda

Motion by Nelson, second by Mosher, and unanimously carried to approve the Human Services Board agenda of June 13, 2006, as mailed.

Approval of Minutes

Motion by Froemming, second by Block, and unanimously carried to approve the Human Services Board minutes of May 23, 2006, as presented.

Legislative Update

Court Services Director, Chuck Kitzman, provided a draft Minnesota Association of County Probation Officers 2006 Session Summary dated May 25, 2006. He reviewed the Public Safety Omnibus Policy Bill and discussion took place regarding Drug Courts.

Out of State Conference Attendance

Motion by Lee, second by Block, and unanimously carried to authorize Public Health Nurse, Marion Kershner, to attend the World Tobacco Health Conference in Washington DC, July 12 through July 15, paid for by the Minnesota Department of Health Tobacco Free Communities Grant held by Clay County, with expenses not to exceed \$3,000.

Safe Community Coalition Funds

Motion by Mosher, second by Nelson, and unanimously carried to authorize the Public Health Director to apply for Safe Community Coalition Grant Funds to be used for encouraging seat belt usage. The motion approved entering into a grant agreement with the Minnesota Division of Traffic Safety and authorizes the Public Health Director to execute the grant agreements.

Public Health Staffing

Public Health Director, Diane Thorson, reported an increased refugee population caseload for the nurses and increased workload due to Pandemic Flu planning. She requested hiring two part time (30 hrs. per week) positions to replace one full time position that is currently vacant. Ms. Thorson also requested hiring two intermittent Public Health Nurses to have staff resources available for leaves of absences and/or increased caseloads during specific times. Motion by Mosher, second by Lee, and unanimously carried to authorize the Public Health Director to proceed with the hiring of two 30 hour per week positions in place of the current full time, vacant position and two intermittent Public Health Nurses.

Employee Recognition

Chairman Froemming presented an appreciation plaque to Public Health Clerk, Bernadine Lemke, and Public Health Nurse, Annette Wigert, and thanked them for their years of public service with the County.

Human Services Department Staffing

Motion by Nelson, second by Mosher, and unanimously carried to authorize the Human Services Director to replace a Child Protection Social Worker position with a temporary Child Protection Social Worker position.

Bills & Claims

Motion by Nelson, second by Block, and unanimously carried to approve the Human Services bills & claims as presented.

Adjournment

At 10:26 a.m., Chairman Froemming declared the meeting of the Otter Tail County Human Services Board adjourned until 9:30 a.m. on Tuesday, June 27, 2006.

Dated: _____ OTTER TAIL COUNTY HUMAN SERVICES BOARD

By: _____
Roger Froemming, Human Services Board Chair

Attest: _____
Larry Krohn, Clerk

Call to Order

The Otter Tail County Board of Commissioners convened Tuesday, June 13, 2006, at 10:33 a.m., at the Otter Tail County Government Services Center with Commissioners Roger Froemming, Chair; Dennis Mosher, Vice-Chair; Bob Block, Syd Nelson, and Malcolm Lee present.

Approval of Agenda

Motion by Mosher, second by Nelson, and unanimously carried to approve the County Board agenda of June 13, 2006, with one addition as follows:
County Attorney's Office – Out-of-State Travel Request

Approval of Minutes

Motion by Lee, second by Block, and unanimously carried to approve the County Board minutes of June 6, 2006, as presented.

Approval to Pay Bills

Motion by Mosher, second by Block, and unanimously carried to approve payment of the County Board bills per Attachment A of these minutes.

Out of State Conference Attendance

Motion by Block, second by Mosher, and unanimously carried to authorize attendance at a National Training on crimes against children for Assistant County Attorney, Michelle Eldien, located in Dallas, TX. Cost of the five day training is \$400 with hotel and airfare estimated at \$840.00.

License Applications

Motion by Nelson, second by Mosher, and unanimously carried, to approve the following applications for licenses:

*Sherrie Putnam
Hamburger Hollow
43077 County Highway 53
New York Mills, MN 56567

On-Sale Wine and
On/Off-Sale 3.2 Malt Liquor

**Heisler's gravel and Rental Property Inc.
Heisler's Country Pub
47757 375th Ave
Vergas, MN 56587

Consumption and Display (Set Up) Permit

+*Joseph Koep
Koep's
21136 County Highway 5
Clitherall, MN 56524

Off-Sale 3.2 Malt Liquor

New York Mills Lions Club
New York Mills Airport
Newton Township

Temp. 3.2 On-Sale Malt Liquor
June 23 and 24, 2006

*Playtime Sports Bar & Ballroom Inc.
Playtime Sports Bar
43974 390th Street
Perham, MN 56573

On-Sale Liquor and Sunday Liquor

+*Ye Olde Schoolhouse
24028 Emery Drive
Erhard, MN 56534

On/Off-Sale 3.2 Malt Liquor

*Subject to the approval of the County Attorney's office and to the approval of the County Sheriff's office.

+Subject to township review and approval..

**Subject to the remittance of the appropriate fees.

County Ditch No. 38

Ditch Inspector, Randy Wasvick, opened discussion regarding a petition that has been received requesting impoundment of waters in Ditch No. 38. County Attorney, David Hauser, stated that the petition should require a bond, an engineering plan, and a statement in the petition that recognizes that the petitioner(s) are responsible for the cost of the requested project. Mr. Hauser stated that this is not the case in this particular petition and the appropriate action is to notify the petitioner that the Petition for Impoundment for Ditch #38 is not a valid petition. Mr. Hauser will draft an Order to Deny the Petition based on the fact that there are no responsibilities for the cost.

**RESOLUTION CALLING PUBLIC HEARING ON
SOLID WASTE REVENUE BOND PROJECT ON BEHALF OF
OTTER TAIL AG ENTERPRISES, LLC
Otter Tail County Resolution No. 2006 - 45**

Commissioner Nelson offered the following and moved its adoption:

BE IT RESOLVED by the Board of Commissioners of Otter Tail County as follows:

1. This Board has authority under the provisions of Minnesota Statutes, Sections 469.152 to 469.1651, as amended (the "Act"), to issue its revenue bonds to finance solid waste facilities.

2. It has been proposed that the County issue revenue bonds pursuant to the Act in the principal amount of up to \$16,000,000 (the "Bonds") and loan the proceeds to Otter Tail AG enterprises, LLC (the "Borrower") to finance the costs of acquiring and installing solid waste facilities as part of the ethanol plant being developed by the Borrower in the County.

3. The Bonds will be limited obligations of the County and will be payable solely from loan repayments to be made by the Borrower and any other security pledged by the Borrower therefor.

4. A public hearing on the issuance of the Bonds is hereby called and shall be held on at 10:00 o'clock A.M. on Wednesday, July 5, 2006, at the Commissioner's Room of the Otter Tail County Government Services Center, 500 Fir Ave. W., Fergus Falls. The County Auditor is hereby authorized and directed to cause notice of the hearing to be published once in the official newspaper and in a newspaper of general circulation in the County at least 14 days prior to the hearing.

Commissioner Block seconded the motion, and upon being put to vote, the above resolution was adopted on a unanimous vote.

Adopted at Fergus Falls, Minnesota, this 13th day of June, 2006.

Dated: _____ OTTER TAIL COUNTY BOARD OF COMMISSIONERS

By: _____
Roger Froemming, Board of Commissioners Chair

Attest: _____
Larry Krohn, Clerk

Chemical Dependency Treatment Facility

Discussion took place regarding a proposed CD Treatment facility to be located on the north side of the RTC campus. The County would own the building and lease it back to the State for CD Treatment purposes. The building process would move forward through the Housing & Redevelopment Authority and be paid off in 15 years. Discussion took place regarding splitting off the land for the proposed facility.

Recess & Reconvene

At 11:56 a.m., Chairman Froemming declared the meeting of the Otter Tail County Board of Commissioners recessed for lunch break. The meeting was reconvened at 1:08 p.m.

Business Subsidy Policy

Upon a motion by Block, seconded by Lee, and unanimously carried, the Otter Tail County Board of Commissioners adopts the "County of Otter Tail Business Subsidy Policy" as presented by the County Attorney and attached to these minutes as Attachment B.

RESOLUTION CALLING PUBLIC HEARING ON ABATEMENTS FOR OTTER TAIL AG ENTERPRISES, LLC PROJECT Otter Tail County Resolution No. 2006 - 46

Commissioner Nelson offered the following and moved its adoption:

BE IT RESOLVED by the Board of Commissioners of Otter Tail County as follows:

1. This Board has authority under the provisions of Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the "Act"), to adopt an abatement resolution granting abatements under the Act and retain the abatements to pay debt service on general obligation abatement bonds. This Board also has authority under Minnesota Statutes, Section 469.144, Subd. 1, to exercise the powers granted under Chapter 469 to a rural development finance authority, including the power to assist in the financing of an ethanol project.

2. It has been proposed that the County issue bonds pursuant to the Act (the "Bonds") and loan approximately \$5 million of the proceeds to Otter Tail AG Enterprises, LLC (the "Borrower") to finance part of the costs of acquiring and constructing the ethanol plant being developed by the Borrower in the County. The Bonds would be general obligations of the County, payable primarily from abatements granted under the Act and retained by the County to pay the debt service on the Bonds.

3. There has been presented to this Board a list of properties which are proposed to be considered for abatement and the total estimated amount of the abatements.

4. A public hearing on the proposed abatements is hereby called and shall be held on at 10:00 o'clock A.M. on Wednesday, July 5, 2006, at the Commissioner's Room of the Otter Tail County Government Services Center, 500 Fir Ave. W., Fergus Falls. The County Auditor is hereby authorized and directed to cause notice of the hearing to be published in a newspaper of general interest and readership in the County at least 10 days prior to the hearing.

Commissioner Lee seconded the motion, and upon being put to vote, the above resolution was adopted on a unanimous vote.

Adopted at Fergus Falls, Minnesota, this 13th day of June, 2006.

Dated: _____ OTTER TAIL COUNTY BOARD OF COMMISSIONERS

By: _____
Roger Froemming, Board of Commissioners Chair

Attest: _____
Larry Krohn, Clerk

Amend the Established Time for Public Hearing

Motion by Mosher, second by Block, and unanimously carried to change the time for the Public Hearing for the revenue bonds to finance solid waste facilities from 1:00 p.m. on July 5, 2006, to 10:00 a.m. on July 5, 2006.

Sewell Lake High Water Discussion

Sewell Lake Property Owner, Gerhard Knutson, expressed frustration with Otter Tail County Ditch No. 70. More water is flowing into Sewell Lake than is going out, with the majority flowing in because of runoff. He reviewed the current drainage system. Mr. Knutson stated that, at the last meeting, it was stated that the ditch works. He noted that there is a 12" tile that leaves the lake that is broken. The water is flowing over the ditch outlet and land around the lake is flooding. These are indications, in his opinion, that the drainage system is not working. The ditch was built in 1923 and followed M.S. 103E very closely. Mr. Knutson stated that Lake Sewell is designed to rise and fall to maintain drainage systems from the farm land. Because the DNR is opposed to putting in drainage systems to lower below the Ordinary High Water Level (OHWL), which is the same as the natural overflow, it would not help to install a larger outlet. Mr. Knutson concluded that the purpose of Lake Sewell is strictly as an ag ditch which ignores the people on the lake and may have been advisable in 1923, but not in 2006. He requested; 1) a drainage system that considers lake owners, not just ag, 2) a larger outlet on the lake, and 3) that the Planning Commission look at a long term plan to consider how people are adversely affected with high and low water. Property Owner, Jim Puchtel, expressed many of the same concerns as Mr. Knutson, including concerns about water clarity and quality and issues with draining a wetland. Mr. Puchtel expressed concern with not being able to use his lake shore property the past 4 to 5 years.

Highway Department High Water Discussion

Motion by Mosher, second by Froemming, and unanimously carried to approve Fergus Power Pump to proceed with pumping to prevent Highway 88 from flooding, without the thirty day bid period, because this is an emergency situation.

Highway Engineer, Rick West, opened discussion regarding CSAH No. 18 in the area of Crooked Lake. He estimated the cost of a grade raise on the road at \$500,000 to \$600,000. The option to petition for an outlet into Ditch No. 21 was discussed. Lengthy discussion took place regarding the capacity of Ditch No. 21.

Motion by Froemming, second by Lee, and carried with Mosher abstaining to continue with the restriction of the flow of water through the culvert under CH 122 between North and South Turtle Lakes at approximately 3,000 gallons per minute as authorized by County Board motion on May 9, 2006, for an additional 30 days.

State Funding for Damages from the Windstorm of June 20, 2005

County Coordinator, Larry Krohn, reported total storm damage expenses from the June 20, 2005 windstorm, as \$869,381.53. The County received \$500,000.00 from the State of Minnesota. Mr. Krohn presented the dollar amounts that are proposed to be paid out to the townships, cities, and the County at a rate of \$0.58 per dollar spent. Motion by Block, second by Froemming, and unanimously carried to authorize payments to the appropriate government entities as presented at the rate of \$0.58 per dollar spent.

Adjournment

At 2:47 p.m., Chairman Froemming declared the meeting of the Otter Tail County Board of Commissioners adjourned until 9:30 a.m. on Tuesday, June 20, 2006.

Dated: _____ OTTER TAIL COUNTY BOARD OF COMMISSIONERS

By: _____
Roger Froemming, Board of Commissioners Chair

Attest: _____
Larry Krohn, Clerk

CB/kd

6/13/2006
12:02:02

OTTER TAIL COUNTY AUDITOR
PANELSON RECEIPTS AND DISBURSEMENTS SYSTEM COUNTY 56 IFD66
WARRANTS FOR PUBLICATION PAGE 1

WARRANTS APPROVED ON 6/13/2006 FOR PAYMENT 6/13/2006

VENDOR NAME	AMOUNT
A.T.D.	297.00
A'VIANDS LLC	11,330.06
AMERICAN INSTITUTIONAL SUPPLY	65.55
ARVIG COMMUNICATION SYSTEMS	200.00
ASSOCIATION OF MN COUNTIES	120.00
AUTO SAFETY SERVICE	15.00
BACHMAN PRINTING COMPANIES	586.77
BATTLE LAKE AUTO PARTS	42.38
BATTLE LAKE MOTOR PATROL ASSN	75.00
BERT'S TRUCK EQUIPMENT OF MHD	67.81
BEYER BODY SHOP INC	897.72
BLUFFTON OIL COMPANY	3,027.81
BOUND TREE MEDICAL LLC	276.30
BRANDBORG LAW OFFICE	165.00
BRANDON COMMUNICATIONS INC	472.19
BRANDT & MAGNUS P.A.	111.50
BRAUN VENDING INC	33.39
BRETZ HARDWARE	13.71
BRIGGS CORPORATION	159.55
DOUG CANNELL	34.99
KAREN CANNELL	13.04
CARQUEST AUTO PARTS	51.59
CATCO PARTS AND SERVICE	655.45
CENTRAL SPECIALTIES INC	300.00
CO OP SERVICES INC	1,761.02
COMMISSIONER OF TRANSPORTATION	130.00
COOPERS TECHNOLOGY GROUP	791.13
CREATIVE FORMS & CONCEPTS INC	1,060.05
CULLIGAN WATER COND	53.01
JONATHAN DANNER	14.35
DENZEL'S REGION WASTE INC	216.45
DICK'S STANDARD SERVICE	267.16
DICTAPHONE	253.00
DILLON'S INC	50.00
KATHY DOMHOLT	27.59
RANDY DORROW	26.26
DOUGLAS CO SHERIFF	45.00
EAST SIDE OIL COMPANIES	55.00
ERICKSON ELECTRONICS	15.00
EVERTS LUMBER CO	55.99
EXPENSE RECOVERY SERVICES	4,306.47
FARGO FREIGHTLINER	129.07
FARGO GLASS AND PAINT CO	408.96
FARNAM TIRE CENTER	70.00
FARNAM'S GENUINE PARTS INC	583.86
FERGUS ELECTRIC	269.07
FERGUS FALLS NEWSPAPERS INC	5,038.88
FERGUS FALLS POLICE DEPT	362.64
FERGUS POWER PUMP INC	6,150.00

6/13/2006 12:02:02 OTTER TAIL COUNTY AUDITOR
PANELSON RECEIPTS AND DISBURSEMENTS SYSTEM COUNTY 56 IFD66
WARRANTS FOR PUBLICATION PAGE 2

WARRANTS APPROVED ON 6/13/2006 FOR PAYMENT 6/13/2006

VENDOR NAME	AMOUNT
FERGUS TIRE CENTER	1,294.43
FERRELLGAS	81.41
FORTWENGLER ELECTRIC INC	34.97
GERALD N EVENSON INC	25.45
GRAINGER INC	14.84
HALL GMC INC	1,841.31
NEILL HARDINA	120.00
HARMS TOWING & SERVICE	120.35
OLIVER HARRISON	75.00
HAYBELLY'S DIRTWORKS INC	130.00
HEDAHL'S HEADQUARTERS	253.25
HEISLERS COUNTRY OIL	466.83
MARILYN HELLER	8.00
HENRY'S FOODS INC	746.23
HOLIDAY INN	173.02
SANDY HOLO	370.57
HOOTS SPORTS	336.79
THE INDEPENDENT	69.81
INNOVATIVE OFFICE SOLUTIONS	590.47
INTERSTATE INC	1,917.38
J C'S GENERAL STORE	34.95
ERWIN JOHNSON	195.00
GARY JOHNSON	136.06
K-MART	26.61
KEEPRS INC CY'S UNIFORMS	963.85
KELLY SERVICES INC	1,961.40
KRIS ENGINEERING INC	1,482.21
L & L SERVICE	192.19
LAKE REGION HEALTHCARE CORP	2,618.48
LAKELAND TRUE VALUE HARDWARE	77.05
LAKES RADIO	84.60
LAKEWAY MARKET LLC	1,295.90
LARRY OTT INC TRUCK SERVICE	715.00
DEAN LARSON	139.95
JERRY LEIN	39.98
ERIC LIEN	7.40
MATTHEW BENDER & COMPANY INC	199.50
MERITCARE MEDICAL GROUP	11.46
THE MIDWEEK	395.28
MINN KOTA COMMUNICATIONS INC	220.66
MINNESOTA WEST COLLEGE	179.00
MN CO INSURANCE TRUST	5,933.00
MN COUNTIES INS TRUST	100.00
MN MOTOR COMPANY	378.98
JIM MYHRE	178.73
NAPA STANDARD PARTS OF WADENA	508.64
NATURES GARDEN WORLD	1,250.43
NELSON BROS PRINTING	114.08
NELSON FORD LINCOLN MERCURY IN	88.51

6/13/2006
12:02:02

OTTER TAIL COUNTY AUDITOR
PANELSON RECEIPTS AND DISBURSEMENTS SYSTEM COUNTY 56 IFD66
WARRANTS FOR PUBLICATION PAGE 3

WARRANTS APPROVED ON 6/13/2006 FOR PAYMENT 6/13/2006

VENDOR NAME	AMOUNT
NELSON INTERNATIONAL	64.69
NEW ULM POLICE DEPT	100.00
NEW YORK MILLS HERALD	111.60
NEWSWEEK	55.76
NORTH UNION TEXACO	128.59
OFFICEMAX CONTRACT INC	269.93
ONE CALL LOCATORS LTD	170.62
OTTER TAIL CO SHERIFF	4,235.74
OTTER TAIL CO TREASURER	438.07
OTTER TAIL POWER CO	46.86
OTTERTAIL AGGREGATE	6,815.46
OTTERTAIL TRUCKING INC	6,126.80
OVERHEAD DOOR COMPANY	902.00
PAMIDA INC 008	42.57
PARK REGION CO OP	1,247.04
PELICAN RAPIDS PRESS	136.50
PENROSE OIL COMPANY	580.44
PERHAM ACE HARDWARE	75.58
PERHAM CO OP CREAMERY	157.78
PERHAM ENTERPRISE BULLETIN	270.27
PETE'S AMOCO	1,255.99
PIONEER JANITORIAL	90.53
PRAIRIE IMPLEMENT INC	4.92
PREMIUM WATERS INC	17.23
HENRY PRICE	275.00
PRO AG FARMERS CO OP	41.80
PROTECTIVE SAFETY SYSTEMS LLC	1,050.00
PUBLIC SAFETY CENTER INC	713.26
QUALITY TOYOTA	60.92
RAPID CHEK INC	701.99
RASMUSSEN-SCHEDOWSKI VFW POST	100.00
REVIEW ENTERPRISES INC	321.09
ROTHSAY FARMERS CO OP	34.11
MATHEW SAURER	13.38
BRIAN SCHLUETER	210.62
CHERI SCHULTZ	41.48
SERVICE FOOD SUPER VALU	27.07
SEWER SERVICE	250.00
SHERWIN WILLIAMS	139.35
SIGELMAN STEEL & RECYCLING INC	30.04
SIMPLEXGRINNELL LP	2,693.39
SOUTH MILL SERVICE	66.34
STEINS INC	2,954.14
STENERSON LUMBER	16.23
STEVE'S SANITATION INC	1,884.00
STOP-N-GO STORES INC	45.38
STRAND ACE HARDWARE	397.96
STREICHERS	1,541.90
JOURDAN SULLIVAN	306.04

6/13/2006 12:02:02 OTTER TAIL COUNTY AUDITOR
PANELSON RECEIPTS AND DISBURSEMENTS SYSTEM COUNTY 56 IFD66
WARRANTS FOR PUBLICATION PAGE 4

WARRANTS APPROVED ON 6/13/2006 FOR PAYMENT 6/13/2006

VENDOR NAME	AMOUNT
SUPERIOR LAMP INC	132.56
SWANSTON EQUIPMENT CORP	5,581.21
DAVID THOMPSON	40.00
THYSSEN KRUPP ELEVATOR CORPORA	1,107.29
TONY DOOM SUPPLY CO INC	682.09
TRI STAR RECYCLING	6,295.30
U S POSTAL SERVICE	10,000.00
SUSAN ULSCHMID	130.56
UNIVERSITY OF MN	16,100.00
UNIVERSITY OF MN-EXTENSION SER	34.00
VALLEY SOFT WATER LTD	27.50
VERGAS ACE HARDWARE	19.99
VIKING COCA-COLA	148.75
WADENA ASPHALT INC	266.26
WADENA CO SHERIFF	39.00
WADENA HIDE & FUR COMPANY	14.65
WALLWORK TRUCK CENTER	5,273.50
WASTE MANAGEMENT	53,953.48
WEETOWN OUTPOST	30.00
WELDING SUPPLIES & FIRE EQUIPM	5.27
WEST PAYMENT CENTER	184.37
WILLMAR FIRE EQUIPMENT INC	2,277.52

**** FINAL TOTAL..... \$208,954.54 ****

**COUNTY OF OTTER TAIL
BUSINESS SUBSIDY POLICY**

The following business subsidy criteria are intended to satisfy the requirements of Minnesota Statutes Sections 116J.993 through 116J.995 (the "Act").

A. BUSINESS SUBSIDY PUBLIC PURPOSE.

The public purpose of this policy shall be to accomplish the following on behalf of the County of Otter Tail:

1. Enhance economic growth in Otter Tail County;
2. Create high quality job growth in Otter Tail County;
3. Retain high quality jobs in Otter Tail County; and
4. Enhance the value of surrounding properties and subsidize the area.

This policy is adopted in compliance with Minn. Stat. 116J.994, subd. 2. A copy of the policy shall be submitted to the Minnesota Department of Employment and Economic Development.

B. DEFINITIONS.

1. **Benefit Date**
"Benefit date" means the date that the recipient receives the business subsidy. If the business subsidy involves the purchase, lease or donation of physical equipment, then the benefit date begins when the recipient puts the equipment into service. If the business subsidy is for improvements on property, then the benefit date refers to the earlier of either: (1) when the improvements are finished for the entire project; or (2) when a business occupies the property.
2. **Business**
"Business" means a for-profit business entity or a non-profit entity meeting the requirements of Minn. Stat. 116J.993, subd. 3.
3. **Business Subsidy**
"Business Subsidy" means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease or other obligation, or any preferential use of government facilities given to a business, and as defined by the Act.
4. **County**
"County" means the County of Otter Tail, Minnesota.

C. MANDATORY CRITERIA

A project must meet the following mandatory criteria in order to be considered for a business subsidy. The County reserves the right to approve a project that varies from these criteria if the County determines a valid public purpose will be served.

1. **Wage Floor.** If the project results in the creation of any jobs, the wage for each part-time and full-time job created must be within two years of the assistance is received (as defined in the Act), at least equal to 125 percent of Minnesota's minimum wage as set forth in Minn. Stat. 177.24 or such greater amount as the County may require for a specific project.
2. **Retention of Jobs.** In cases where the objective is the retention of existing jobs, the recipient of the study will be required to provide evidence which demonstrates that the loss of those jobs is specific and demonstrable.
3. **Public Purpose.** The County must determine that the business subsidy meets a public purpose and the reason that the business subsidy is needed.
4. **Compliance with Act.** The business subsidy from the County must satisfy all requirements of the Act and all other legal requirements. In addition, the business subsidy must meet any additional policies established by the County for the type of business subsidy received.
5. **Economic Feasibility.** The recipient must demonstrate to the satisfaction of the County that it has adequate financing for the project and that the project will be completed in a timely fashion.
6. **Retail or Service Business.** A retail or service business will not be considered for a business subsidy unless the project will create substantial quality employment or a substantial tax base, provide a necessary service not already provided in the community or redevelop a blighted area.

D. OTHER FACTORS TO BE CONSIDERED

The County may consider the following factors when considering an application for a business subsidy:

1. **Wage and Job Goals:** It is the County's policy to target its business subsidy assistance to businesses that demonstrate a clear and ongoing commitment to the community by providing livable wage jobs to their employees. Nevertheless, not all projects assisted with subsidies derive their public purpose and importance solely by virtue of job creation. In addition, the imposition of high job creation requirements and high wage level requirements may be unrealistic and counter-productive in the face of larger economic forces or the financial and competitive circumstances of an individual business. In determining the requirements for a project under consideration for a business subsidy, the determination of the

number of jobs to be created and the wage levels therefore will be guided by the following principles and criteria:

- a. The evaluation of projects will take into consideration the project's importance in and benefits to the County from all perspectives, including created or retained jobs.
 - b. Wage and job goals may be set after consideration of the following factors: (i) prevailing wage rates; (ii) local economic conditions; (iii) external economic forces over which neither the County nor the recipient of the subsidy has control; (iv) the financial resources of the recipient; and (v) the competitive environment in which the recipient's business exists.
 - c. If the public purpose to be furthered by the business subsidy relates primarily to purposes other than the creation or retention of employment opportunities, then job and wage goals shall be a minor consideration in the granting of the business subsidy. Notwithstanding the amount of business subsidy, none or only a nominal number of jobs may be required if the Board of Commissioners finds that the business subsidy will serve a substantial public purpose other than the creation or retention of employment opportunities.
 - d. If a particular project does not involve the creation of jobs, but is nonetheless found to be worthy of support and subsidy, assistance may be approved without any specific job or wage goals if permitted by applicable law.
2. **Growth Potential.** Based on recipient's market studies and plans for expansion, the County may consider whether and to what extent the project is expected to be expanded to produce a net increase of full-time equivalent jobs beyond those required in the wage and job goals established by the County.
 3. **But For Test.** There is a substantial likelihood that the project would not go forward without the business subsidy. This criterion may be met based solely on representations of the recipient of the business subsidy.
 4. **Tax Base.** The project will increase or preserve the tax base. (The Act requires that a project must provide at least one other public benefit.)
 5. **Public Facilities.** The project will provide or help acquire or construct public facilities.
 6. **Redevelopment.** The project will help develop or renew blighted areas.
 7. **Services.** The project will help provide access to services for residents of the County.
 8. **Retain Business.** The project will retain a business that is at risk of relocating.

9. **Impact on Surrounding Areas.** The impact of the project on surrounding areas will be taken into consideration. Impacts include but are not limited to: the extent to which the subsidy may create competitive disadvantage, pollution, traffic, sewer and water, parks and need for additional law enforcement or other governmental services.
10. **Utilization of Existing Infrastructure Investment.** Consider the extent to which the project will utilize existing public infrastructure capacity or will require additional publicly funded infrastructure investments.
11. **Leveraging of Public Funds.** Consider the extent to which public funds are leveraged in the project.
12. **Spin Off Development.** The dollar amount of non-subsidized development the project is expected to generate in the surrounding area and the need for and likelihood of such spin off development.
13. **Community Services.** Whether the project will enhance services in the County and the need for such services. For example, the project may enhance health services, retail convenience services, such as a nearby grocery store, or transportation or social services needed in the County.
14. **Natural Environment.** Whether the project will add to or detract from the environment.
15. **Other Factors.** Depending on the nature of the project, such other factors as the County may deem relevant in evaluating the project and the business subsidy proposed for it.

E. DEVIATION FROM CRITERIA

Meeting all policy criteria does not guarantee approval of the requested business subsidy. The County maintains its ability to approve or deny the request at its discretion. In the unlikely event that the County chooses to deviate from the criteria rather than denying an application for a business subsidy, the County must document in writing the reason for the deviation as required by Minn. Stat. 116J.994, subd. 2.

F. ADDITIONAL CONSIDERATIONS

1. The County may consider the requirements of any other business subsidy received, or to be received, from a grantor other than the County.
2. If the business subsidy is real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the County.

3. If the business subsidy is received over time, the County may value the subsidy at its present value using a discount rate equal to an interest rate which the County determines is fair and reasonable under the circumstances.

G. FINANCIAL ASSISTANCE NOT CONSIDERED A BUSINESS SUBSIDY

The following forms of financial assistance are not a business subsidy as per Minn. Stat. 116J.993, subd. 3:

1. A business subsidy of less than \$25,000;
2. Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location or similar general criteria;
3. Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. Redevelopment property polluted by contaminants as defined in Minn. Stat. 116J.552, subdivision 3;
5. Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code, and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50 percent of the total cost;
6. Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
7. Assistance for housing;
8. Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under Minn. Stat. 469.174, subd. 23;
9. Assistance for energy conservation;
10. Tax reductions resulting from conformity with federal tax law;
11. Workers' compensation and unemployment compensation;
12. Benefits derived from regulation;
13. Indirect benefits derived from assistance to educational institutions;

14. Funds from bonds allocated under Minn. Stat. Chapter 474A, bonds issued to refund outstanding bonds and bonds issued for the benefit of an organization described in section 501(c)(3) of the Internal Revenue Code of 1986, as amended;
15. Assistance for a collaboration between a Minnesota higher education institution and a business;
16. Assistance for a tax increment financing soils condition district as defined under Minn. Stat. 469.174, subd. 19;
17. Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
18. General changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. Federal assistance until the assistance has been repaid to and reinvested by the state or local government agency;
20. Funds from dock and wharf bonds issued by a seaway port authority;
21. Business loans and loan guarantees of \$75,000 or less; and
22. Federal loan funds provided through the United States Department of Commerce, Economic Development Administration.