

CCIDA MEETING Minutes
September 19, 2018
8:00 a.m.

Present: E. Larsen, B. Burton, P. Raymond, R. Gibbon, W. Outwater

Absent:

Contract Staff: S. Craig, A. Larsen

Finance: S. Cwynar

Guest: S. Palmatier, S. Butler

I. Roll Call

Board Chair E. Larsen called the meeting to order at 8:01 a.m.

II. Approval of Minutes

Upon review motion to approve the August 15, 2018 Regular Meeting Minutes by B. Burton, seconded by W. Outwater. Ayes all. Approved.

Upon review motion to approve the September 10, 2018 special meeting minutes by B. Burton, seconded by R. Gibbon. W. Outwater and P. Raymond abstain. Approved.

III. Treasurer's Report

S. Cwynar reviewed the August 31, 2018 Financial Statements with the board.

There are \$700,000 in current assets. Accounts payable is \$117,000. Fund balance is \$1.3 million. Total expenditures for the month are \$12,000. Year to date expenditures are \$74,000 out of a budgeted \$100,000.

Upon review motion to approve the August 31, 2018 Treasurer's Report by B. Burton, seconded by P. Raymond. Ayes all. Approved.

IV. Bills & Invoices

B. Burton asked about several school property tax bills with amounts of zero. A. Larsen replied that the IDA receives and processes tax bills for railroad parcels every year despite its tax-exempt status.

Upon review motion to approve the bills and invoices by B. Burton, seconded by W. Outwater. Ayes all. Approved.

V. Old Business

S. Craig provided an update on the Eaton Center PILOT application. A meeting was held at the Eaton Center between the proposed PILOT project stakeholders. S. Craig requested more information on the owner's proposed project, as the current proposal did not appear to fulfill PILOT requirements.

A. Larsen said that closeout and final disbursement paperwork was submitted for the railroad project. The EDA has two months to process and reply. The IDA is waiting for the final reimbursement.

B. Burton asked if there were any developments in rail use. S. Craig said New York Mills is using it but meetings are also being pursued with Baillie, Chobani, and others.

W. Outwater asked about Chobani's access and feasibility of use. S. Craig said that the line could become useful for cups and fruit at some point.

S. Palmatier said that he has been looking into sites for a wood shaving business, and rail access is an important factor.

S. Craig said a business has expressed interest in buying the airport business incubator building. A. Larsen said that the business had asked for the IDA to provide a cost to lease and a purchase price.

S. Craig said that the building was assessed in 2014.

Motion by B. Burton to propose a purchase price at the appraised value of \$550,000. Seconded by W. Outwater. Ayes all. Approved.

S. Craig said that he had discussed the Technofil PILOT with Sherburne.

B. Burton said that the IDA is setting a precedent by not rescinding the PILOT under current conditions. Despite the relative nearness of the PILOT term ending, the PILOT should be ended immediately due to the company's apparent inactivity.

W. Outwater said that while the board previously decided to wait to re-assess the company's status and intentions following a temporary shutdown, the time has passed to issue a decision.

Motion by W. Outwater to rescind the Technofil PILOT, seconded by B. Burton. Ayes all. Approved.

W. Outwater asked if the IDA legal counsel provided any guidance on revising the IDA's PILOT agreements to include language restricting appeals for property assessment grievances for those companies with active PILOTs.

S. Craig said that real property tax law would supersede any language inserted into a PILOT agreement. Companies have a right by law to appeal property assessments, so while the IDA can include such restrictions, it would remain vulnerable to lawsuits.

W. Outwater suggested that the IDA include the restriction regardless, as it at minimum sets an expectation.

E. Larsen said that a business could end up paying any amount in taxes in spite of a PILOT agreement if property assessments could be revised while the company remained without recourse.

B. Burton asked if the attorney had said anything about restrictions strictly on grievances for current assessments. S. Craig said that the law doesn't make that distinction, and so the question is essentially the IDA's appetite for defending potential lawsuits.

S. Craig said that one solution is to avoid percentages in PILOT agreements, and instead use dollar amounts, calculated out ten years and based on expected tax inflation. This could protect the company from increased payments for increased assessments.

E. Larsen said that, inversely, the payments could also ultimately exceed what the company would otherwise pay if assessments remain static or inflation does not occur at the expected rate.

E. Larsen said the payments could also be framed in terms of discounts on tax payments.

B. Burton said that that would still result in grievances for increased property assessments.

The board asked that IDA staff ask legal counsel about the possibility of using discounts in PILOT agreements.

B. Burton asked about the status of the Cascun project. S. Craig said that the owners are investigating new market tax credits. The owners are currently leasing their building from the IDA and plan to purchase it once they have financing in place.

S. Palmatier discussed natural gas in Sherburne.

S. Butler discussed windmills in Columbus.

VI. Adjournment

Motion to adjourn by B. Burton, seconded by R. Gibbon. Ayes All. Meeting adjourned at 8:54 a.m.