1. Virtual Meeting Notice

“Due to concerns surrounding the spread of COVID-19, it has been determined that in-person meetings or meetings conducted under Minn. Stat. 13D.02 a are not practical or prudent. Therefore, meetings that are governed by the Open Meeting Law will temporarily be conducted by telephone or other electronic means pursuant to Minn. Stat. 13D.021.”

“The Goodhue County Board of Commissioners will be conducting an EDA board meeting pursuant to this section on April 7, 2020 at 4:30 p.m. in the County Board Room. The County Administrator and/or County Attorney will be present at the meeting location. All County Commissioners and lay board members attending will appear by telephone or other electronic means. The public may monitor the meeting from a remote site by logging into HTTPS://GLOBAL.GOTOMEETING.COM/JOIN/771955469 or calling 1 866 899 4679 beginning at 4:20 p.m. or any time during the meeting.” Access Code: 771-955-469

2. Call To Order
3. Motion To Elect Chair
4. Motion To Elect Vice Chair
5. Motion To Appoint Members Of The County Board To The Board Of EDA
6. Motion To Appoint The County Attorney As The Attorney Of The EDA
7. Motion To Appoint Finance Director As The Treasurer Of The EDA
8. Review & Approve The EDA Board Meeting Agenda
9. Approve Previous Board Meeting Minutes November 19, 2019
   Documents:
      11.19.2019.PDF
10. DairiConcepts Tax Abatement Application
    Documents:
        GOODHUE COUNTY - MEMORANDUM TO EDA FOR DAIRICONCEPTS.PDF
11. Adjourn
Due to concerns surrounding the spread of COVID-19, it has been determined that in-person meetings or meetings conducted under Minn. Stat. 13D.02 are not practical or prudent. Therefore, meetings that are governed by the Open Meeting Law will temporarily be conducted by telephone or other electronic means pursuant to Minn. Stat. 13D.021.

The Goodhue County Board of Commissioners will be conducting an EDA board meeting pursuant to this section on April 7, 2020 at 4:30 p.m. in the County Board Room. The County Administrator and/or County Attorney will be present at the meeting location. All County Commissioners and lay board members attending will appear by telephone or other electronic means. The public may monitor the meeting from a remote site by logging into HTTPS://GLOBAL.GOTOMEETING.COM/JOIN/771955469 or calling 1 866 899 4679 beginning at 4:20 p.m. or any time during the meeting.

Call To Order
Motion To Elect Chair
Motion To Elect Vice Chair
Motion To Appoint Members Of The County Board To The Board Of EDA
Motion To Appoint The County Attorney As The Attorney Of The EDA
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11.19.2019.PDF
DairiConcepts Tax Abatement Application
GOODHUE COUNTY - MEMORANDUM TO EDA FOR DAIRICONCEPTS.PDF
Adjourn
1.
2.
3.
4.
5.
6.
7.
8.
9.
Documents:
10.
Documents:
11.
Commissioner Nesseth called the meeting to order.

*Moved by C/Drotos, seconded by C/Majerus, carried to approve the EDA Board Agenda.*

*Moved by C/Anderson, seconded by C/Majerus, and carried to approve the November 19, 2019 EDA board minutes.*

**2020 CEDA Contract**
The CEDA Contract is an annual renewal for services provided by Ron Zeigler and the Community and Economic Development Associates.  A. Benck indicated that this is included in the budget for 2020.

*C/Majerus moved, C/Anderson second and carried to approve the 2020 contract with CEDA*

**2019 EDA SUMMIT OVERVIEW**
Rebecca from CEDA summarized the overview of the summit that was held in Wanamingo earlier in the month.  Overall consensus was that it was well attended and well engaged.

*Moved by C/Drotos, seconded by C/Anderson, carried to approve adjourn the November 19, 2019 EDA Board Meeting.*

Respectfully Submitted,
Scott O. Arneson
Executive Secretary
March 29, 2020

To: Goodhue County EDA Board

From: Ron Zeigler, CEDA as staff to the Goodhue County EDA Committee  
(Commissioners Majerus and Nesseth, Scott Arneson, Stacy Lance, Steve O’Keefe, Brian Anderson)

RE: DairiConcepts, LP Business Subsidy/Tax Abatement Application

Attached please find a number of pieces of information including:

- A cover letter from DFA (Dairy Farmers of America) for the Application
- The Application
- A sheet of information entitled “City of Zumbrota Estimates for assistance for Business Expansion”. I am anticipating to receive a further breakout of the County portion of what the City of Zumbrota’s Financial Consultant is listing.
- A sheet of information from the Goodhue County Assessor.

A few items to note as you look at this Application for the proposed expansion:

- County staff has signed an NDA (Non-disclosure Agreement) at the request of the Applicant. This is not out of the ordinary for a Company of this nature and a project of this size. As you can imagine, as a Company is looking at doing an expansion, they do not wish to have their future plans or trade secrets be in the public realm until needed.
- The Applicant has submitted the required $1,000 application fee.
- The total project expansion is proposed to be $87.3 million.
- The "but/for" aspect resides in Exhibit D where discussion is listed in regards to the partnership with the local governments as an important indicator for them to move forward.
• The project will not create new jobs but will retain 50 jobs that could be at risk if the Company were to determine that no further investment in the Zumbrota location were to be made.
• The project will provide capacity for this plant and will be replacing dated equipment that will be removed at a future time.
• The project will assist with City public infrastructure including odor mitigation and will reduce pressure on public wastewater infrastructure.
• The project will have spin off benefits including that the investment in this plant is a good thing for future investments in Zumbrota and Goodhue County.
• The Company is looking at starting construction in July, 2020 with completion in December, 2021.
• In answer #2 of the Application the Company lists that is asking for Abatement dollars from the City and School in addition to the County. To be clear, they are not seeking Abatement from the school. They are seeking City and County only. The writing on the copy of the Application is from me to help clarify.
• The Company is proposing to spend $87 million on the project.
• The Application does not list the requested dollar amount of Abatement from the County or the City. In discussions with the Company representative the amount that was discussed with management to get everyone to this phase was that the Company wants to achieve an Abatement from the County and the City (but not school district) of roughly $1 million over and above the amount needed to build/finance the water tower/City public infrastructure. It is my understanding that there is an internal competition for capital and one of the factors to be considered by the Company Board is looking at ways to reduce operating costs and one of the ways to do that is through the proposed Abatement. As we all know, all public bodies have a fiduciary responsibility to invest public dollars wisely. The fiduciary responsibility for all of us is to do the minimum incentive that is needed to make a project move forward but we do want the project to move forward.

The Committee did review and discuss the Application noting:
• The value of the land may not increase just because of different ownership.
• The County should look at the value of the new construction – that being $5,960,000 not including the land value as that is already being taxed.
• Precedence in previous Abatement awards has been for ten years of Abatement of the new construction, 90% returned to developer and 10% retained by County for administrative work.
• No new jobs but is retaining 50
• The County should be investing less than the City.

These items were agreed upon as a recommendation to the Goodhue County EDA to move forward with the Abatement Application and for the Goodhue County EDA to recommend to the Goodhue County Commissioners to set a public hearing on the Abatement Application for May 5th.
Next Steps:

- The process is for this Committee recommendation to move forward to the Goodhue County EDA.
- The EDA then reviews, asks questions, gets answers and when comfortable moves this forward to the Goodhue County Commissioners at their April 7th meeting asking them to set a public hearing date for May 5th.
- The Commissioners review the Application and EDA recommendation and if they are comfortable they set a public hearing date recommended for May 5th. The public hearing is held and the County Commissioners can then determine if they wish to move forward and if so, what level of assistance the County should provide.

Please let me know if you have any questions or if there is additional information that I can provide to you.

Thanks!
March 5, 2020

Scott Arneson
County Administrator
Goodhue County, MN

Dear Mr. Arneson,

Please find enclosed the Application for Tax Rebate Financing from Dairy Farmers of America ("DFA") related to the potential, substantial capital investment in the DairyConcepts facility located in Zumbrota. The partnership represented by the potential abatement is an important indicator to our management team and board of the viability of the project.

As you are aware, we have met extensively with county staff and representatives to detail the plans and the business case for this project. We believe the investment represented by this project will sustain this part of the plant’s operations for many years to come.

DFA estimates to begin the project that will add a new dryer, related process equipment, office and welfare areas, along with a new wastewater treatment facility in Q3 of 2020. Construction is estimated to be complete in late Q4 of 2021.

The project is critical for business continuity and will ensure DFA can continue to service our customers and grow our business.

DFA intends to self-fund this project, therefore we are not including a letter of commitment from other funding sources.

If there is any additional information required at this time, please reach out directly.

Best Regards,

Kevin Cody
Vice President, Accounting and Taxation

Enclosures:
Economic Development Abatement Goodhue County, MN Application
Exhibits A-F
Check for Application Fee
2018 Financial Report
2019 Financial Report
APPLICATION FOR TAX REBATE FINANCING

APPLICANT INFORMATION

Name of Corporation/Partnership: Dalni Concepts, LP

Address: 1313 Norstar Drive, Zumbrota MN 55992

Primary Contact: Bill Taylor, Director of Operations

Address: 1313 Norstar Drive, Zumbrota MN 55992

Phone: (717) 713-0368 Fax: N/A Email: BTaylor@dalni.com

On a separate sheet, please provide the following:

- Brief description of the corporation/partnership's business, including history, principal product or service, etc. Attach as Exhibit A.

- Brief description of the proposed project. Attach as Exhibit B.

- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. (both current and planned owners in the project) Attach as Exhibit C.

- A but-for analysis and narrative. Attach as Exhibit D.

Attorney Name: Andrew Brummel

Address: 1405 North 98th Street, Kansas City, KS 66111

Phone: Fax: Email: ABrummel@dalni.com

Accountant Name: Kevin Cody

Address: 1405 North 98th Street, Kansas City, KS 66111

Phone: (816) 901-6616 Fax: N/A Email: KCody@dalni.com

Contractor Name: Miron Construction - Bill Schaller

Address: 1471 McMahon Drive, P.O. Box 659, Neenah, WI 54957

Phone: (920) 969-7358 Fax: (920) 969-7397 Email: bill.schaller@miron-construction.com

Engineer Name: Excel Engineering - Tim Tolley

Address: 100 Camelot Drive, Fond du Lac, WI 54935

Phone: 920.322.1749 Fax: Email: Tim.Tolley@ExcelEngineer.com

Architect Name: Excel Engineering - David Koenes

Address: 100 Camelot Drive, Fond du Lac, WI 54935

Phone: (920) 322-1673 Fax: Email: david.k@ExcelEngineer.com
PROJECT INFORMATION

1. The project will be:
   - Industrial
   - New Construction
   - Expansion
   - Redevelopment / Rehab.
   - Office/research facility that conforms to business park standards
   - Commercial Redevelopment/Rehabilitation/Development
   - Retail
   - Other

2. In addition to Goodhue County, applicant is requesting Economic Development Abatement funds from:
   - City of: Zumbrota
   - School District: School District 2805
   - Not Correct = City and County only

3. The project will be:
   - X Owner Occupied
   - Leased Space
   - If leased space, please attach a list names and addresses of future lessees and indicate the status of commitments or lease agreements. Include rental rates, terms, and length of lease. Attach as Exhibit E.

4. Project Address:
   - 1313 Northstar Drive, Zumbrota MN 55992
   - Include Legal Description and PID Number. Attach as Exhibit F

5. Site Plan and Floor Plan (foot print) Attached:
   - X Yes
   - No

6. Total Amount of ECONOMIC DEVELOPMENT ABATEMENTS Requested:
   - $ over years.
     - City Portion of Economic Development Abatements: Annual $ Total $
     - County Portion of Economic Development Abatements: Annual $ Total $
     - ISD Portion of Economic Development Abatements: Annual $ Total $
     - Township Portion of Economic Development Abatements: Annual $ Total $
     - City: $19,682.06
     - County: $14,462.28
     - Total 2019: $54,244.34

7. Current Real Estate Taxes on Project Site: $ Total 2019: $54,244.34
   - Estimated Real Estate Taxes upon Completion:
     - Phase I $
     - Phase II $

8. Construction Start Date:
   - Est. July 2020
   - Construction Completion Date:
     - Est. December 2021
   - If Phased Project:
     - Year % Completed
     - Year % Completed
PUBLIC PURPOSE
It is the policy of Goodhue County that the use of Economic Development abatements should result in a benefit to the public. Please indicate how this project will serve a public purpose.

<table>
<thead>
<tr>
<th>Job Creation:</th>
<th>Number of existing jobs ____________________________</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of FTE jobs created by project ________________</td>
</tr>
<tr>
<td></td>
<td>Average hourly wage of jobs created* __________________</td>
</tr>
<tr>
<td></td>
<td>* attach a position specific hourly wage</td>
</tr>
<tr>
<td></td>
<td>Minimum hourly wage of jobs created ________________</td>
</tr>
<tr>
<td></td>
<td>Minimum benefits provided to all employees __________</td>
</tr>
</tbody>
</table>

New industrial or, commercial, which will result in additional private investment in the area.

Enhancement and/or diversification of the County’s economic base.

The project contributes to the fulfillment of Goodhue County’s Economic Development Strategic Plan Comprehensive Plan, Transportation Plan and Land Use Ordinance.

Removal of blight.

Rehabilitation of a high profile or priority site.

Finance or improve public infrastructure; or

Other: Job retention
### SOURCES & USES

<table>
<thead>
<tr>
<th>SOURCES</th>
<th>NAME</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Loan</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Other Private Funds</td>
<td>Dairy Farmers of America</td>
<td>$87,300,000</td>
</tr>
<tr>
<td>Equity</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Fed Grant/Loan</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>State Grant/Loan</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>EDA Micro Loan</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Tax Abatement Financing</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>ID Bonds</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>$</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

***Please include loan terms also, including interest rates, payment and amortization schedule, etc.***

<table>
<thead>
<tr>
<th>USES</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Acquisition</td>
<td>$159,900</td>
</tr>
<tr>
<td>Site Development</td>
<td>$</td>
</tr>
<tr>
<td>Construction</td>
<td>$22,900,000</td>
</tr>
<tr>
<td>Machinery &amp; Equipment</td>
<td>$41,900,000</td>
</tr>
<tr>
<td>Architectural &amp; Engineering Fees</td>
<td>$8,994,000</td>
</tr>
<tr>
<td>Legal Fees</td>
<td>$900,000</td>
</tr>
<tr>
<td>Interest During Construction</td>
<td>$</td>
</tr>
<tr>
<td>Debt Service Reserve</td>
<td>$7,900,000</td>
</tr>
<tr>
<td>Contingencies</td>
<td>$5,896,000</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$87,300,000</td>
</tr>
</tbody>
</table>

### ADDITIONAL DOCUMENTATION

Applicants may be required to provide the following documentation.

A) Written business plan, including a description of the business, ownership/management, date established, products and services, and future plans. Please see introductory letter.

B) Financial Statements for Past Two Years
   - ______ Profit & Loss Statement
   - ______ Balance Sheet

C) Current Financial Statements
   - ______ Profit & Loss Statement to Date
   - ______ Balance Sheet to Date

D) Future Financial Projections

E) Personal Financial Statements of all Major Shareholders
   - ______ Profit & Loss
   - ______ Current Tax Return
F) Letter of Commitment from Applicant Pledging to Complete During the Proposed Project Duration  
Please see introductory letter

G) Letter of Commitment from the Other Sources of Financing Stating Terms and Conditions of their Participation in Project  
DFA plans to fund this project

H) Debt schedules for all loans applicable to the project. N/A

The undersigned certifies that all information provided in this application is true and correct to the best of the undersigned's knowledge. The undersigned authorizes Goodhue County to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the County after the filing of this application.

Applicant Name: DAIRY FARMERS OF MINNESOTA  
Date: 3/1/20

By:  

Its:
EXHIBIT A
Description of the corporation or partnership

EXHIBIT B
Description of the proposed project

EXHIBIT C
Names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership.

EXHIBIT D
But-for analysis

EXHIBIT E
Prospective Lessees

EXHIBIT F
Legal Description and PID Number
Exhibit A
Brief description of the corporation/partnership's business, including history, principal product or service, etc.
Exhibit B

Brief description of the proposed project.

The Zumbrota facility operates a cheese spray-dry operation where cheese powder is manufactured for application on consumer snack products. The current cheese dryer is at the end of its useful life and therefore will need to be replaced to maintain the current business.

Tax abatement proceeds will be used to invest in real property and equipment for the project. It is anticipated that the project will retain 50 existing jobs in the dryer operation, provide capacity for potential future expansion at the site, assist with odor mitigation, reduce pressure on public infrastructure for wastewater treatment, and have spin-off benefits resulting from construction.
3/2/2020
Economic Development Abatement
Goodhue County, MN

Exhibit D

An important factor in securing final management and Board approval for the proposed capital expenditure is a strong partnership with the host community as evidenced by the proposed property tax abatement. Dairy Farmers of America, the parent company of DairiConcepts, routinely works with state and local economic development organizations to secure similar incentives related to other investments around the country.
3/2/2020
Economic Development Abatement
Goodhue County, MN

Exhibit E
If leased space, please attach a list names and addresses of future lessees and indicate the status of commitments or lease agreements. Include rental rates, terms, and length of lease

Not applicable.
3/2/2020
Economic Development Abatement
Goodhue County, MN

Exhibit F

Include Legal Description and PID Number

Parcel ID 72.700.0520
UNPLATTED LAND 17.67 AC
DOC#628434 PT OF SW1/4 SEC
25-110-16 COM AT NW CR S89DG
50MN E1157.54FT S17DG11MNE
594.57FT FOR BEG S17DG11MN
E565.26FT THEN ALNG CURVE TO
LFT 461FT N87DG47MN E391.31FT

Parcel ID 72.700.0660
Sect-25 Twp-110 Range-016 13.05 AC
THAT PT OF SW1/4 SEC 25 110 16
LYING SLY OF C.M. & ST PAUL
RR & ELY OF ELY R/W HWY 52
DOC# 491833

Parcel ID 72.700.0650
UNPLATTED LAND 3.55 AC
DOC#628433 ABANDONED RR R/W
OVER & ACROSS SW1/4 SEC 25
110 16 LYING ELY OF ELY R/W
HWY 52
# Tax Estimate

2/24/2020

<table>
<thead>
<tr>
<th>$5,960,000 Value</th>
<th>Assement 2019 Payable 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$0</td>
</tr>
<tr>
<td>Building</td>
<td>$5,960,000</td>
</tr>
<tr>
<td>Total TMV</td>
<td>$5,960,000</td>
</tr>
</tbody>
</table>

## Tax Capacity Calculation

- **TMV** $5,960,000
- **x 1.5% Class Rate** 1.50%
- **= Tax Capacity** 2,250
- **x 2% Class Rate** 2.00%
- **= Tax Capacity** 116,200
- **Total Tax Capacity** 118,450
- **X Local Tax Rate** 122.8463%
- **= Base Tax** $145,511

## Referendum Market Value Tax

<table>
<thead>
<tr>
<th>TMV</th>
<th>$5,960,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Rate</td>
<td>0.30020%</td>
</tr>
<tr>
<td>RMV Tax</td>
<td>$17,892</td>
</tr>
</tbody>
</table>

## State General Tax

<table>
<thead>
<tr>
<th>Total Tax Capacity</th>
<th>$116,950</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Rate</td>
<td>39.000%</td>
</tr>
<tr>
<td>RMV Tax</td>
<td>$45,611</td>
</tr>
</tbody>
</table>

## Net Tax Payable

| Net Tax          | $209,014 |

## Net Tax Capacity Tax (Breakdown by Authority)

<table>
<thead>
<tr>
<th>Authority</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>45.0600%</td>
</tr>
<tr>
<td>City</td>
<td>57.7480%</td>
</tr>
<tr>
<td>School District</td>
<td>19.2123%</td>
</tr>
<tr>
<td>SEMMCHRA</td>
<td>0.8260%</td>
</tr>
<tr>
<td>Total</td>
<td>122.8463%</td>
</tr>
</tbody>
</table>