

**OFFICIAL PROCEEDINGS
PENNINGTON COUNTY BOARD OF COMMISSIONERS
TUESDAY, MAY 12TH, 2015, 5:42 P.M.**

Pursuant to adjournment, the Pennington County Board of Commissioners met in the Joint Use Facility Meeting Room in Thief River Falls, MN, on Tuesday, May 12th, 2015 at 5:42 p.m. Members present: Darryl Tveitbakk, Donald Jensen, and Neil Peterson. Members absent: Cody Hempel and Oliver “Skip” Swanson.

The meeting was called to order at 5:42 p.m.

The following resolution was introduced by Commissioner Peterson, seconded by Commissioner Jensen, and upon vote was unanimously carried.

**RESOLUTION APPROVING PROPERTY TAX ABATEMENTS
FOR THE ARCTIC CAT, INC. EXPANSION PROJECT**

BE IT RESOLVED by the Board of Commissioners (the “Board”) of Pennington County, Minnesota (the “County”), as follows:

1. Recitals.

(a) Arctic Cat, Inc. (the “Company”) has requested that the City of Thief River Falls (the “City”), the County of Pennington (the “County”) and the School Board (the “Board”) for Independent School District No. 564 (the “District) abate their respective portions of additional prospective property taxes to be generated on Tax Parcel No. 2508000630 in the City (the “Property”), owned by the Company, resulting from the construction on the Property of an expansion to the Company’s existing manufacturing facility located adjacent thereto (the “Project”), all as further described below. The Project expansion is estimated to be in the range of 27,000 to 70,000 square feet.

(b) The requested property tax abatement (the “Abatement”) would be for a maximum of 15 years, specifically, with respect to property taxes payable in 2018 through 2032. The portion of the Abatement attributable to the County is estimated to not exceed \$1,070,000, with a present value of \$750,000.

(c) Property tax abatements, such as the Abatement, are authorized under *Minnesota Statutes*, Sections 469.1812 through 469.1815 (the “Abatement Law”).

(d) On the date hereof, in accordance with the Abatement Law, a public hearing was held on the question of the Abatement, jointly on behalf of the City, the County and the District, and, as required by the Abatement Law, notice of said hearing was published at least 10 days but not more than 30 days prior to the hearing.

2. Findings. The Board hereby makes the following findings:

(i) The Board expects the benefits of the Abatement to the District to at least be equal to the costs thereof.

(ii) Granting the Abatement is in the public interest because it will increase the tax base of the County and other affected taxing jurisdictions, help retain and expand commercial and industrial enterprise in the area, and provide new employment opportunities.

(iii) The Board expects the public benefits described in (b) above to be derived from the Abatement.

(iv) The Property is not located in a tax increment financing district.

ii) Terms of Abatement. The Abatement is hereby approved. The terms of the abatement are as follows:

(i) The Abatement shall be for a maximum of 15 years and shall apply to the taxes payable in the years 2018 through 2032, inclusive.

(ii) The Abatement shall be subject to final approval by the District, the City and the County of a definitive Development Agreement.

(c) The Abatement shall be for 100% of the County's share of the increase in ad valorem property taxes generated by the Property which are attributable to the Project. The increase in property taxes will be over the 2015 base tax capacity of \$61,794.

(d) The Abatement may not be modified or changed during the term set forth in (a) above, except with the prior written consent of the District, the City and the County.

(e) The Abatement shall be subject to all the terms and limitations of the Abatement Law.

(f) In order to be entitled to the Abatement, the Company shall not be in default within the County, the City or the District on any of its payment obligations respecting any taxes, assessments, utility charges or other governmental impositions.

(g) All terms and conditions of the Abatement will be subject to final approval of the Development Agreement between the relevant taxing jurisdictions and the Company.

(h) In any year, the total amount of property taxes to be abated by the County by this and any other applicable resolutions shall not exceed the greater of ten percent (10%) of the current levy, or \$200,000, whichever is greater.

(i) In no event shall the combined aggregate abatement assistance, if all requested taxing jurisdictions participate, and if the Project is constructed at the maximum size envisioned, exceed \$2,200,000 over the 15 year term.

Motioned by Commissioner Jensen, seconded by Commissioner Peterson, to adjourn the Board meeting to May 26th, 2015 at 5:00 p.m. Motion carried.

ATTEST:

Kenneth Olson, Auditor-Treasurer
Pennington County

Darryl Tveitbakk, Chairman
Board of Commissioners