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## REGULAR BOARD MEETING AGENDA

Notice is hereby given that the Board of Commissioners of Roseau County will meet in session on **March 26, 2024, at 8:30 a.m.**, in the Roseau County Courthouse, Room 110, Roseau, MN, at which time the following matters will come before the Board:

**8:30 Call to Order**

1. Presentation of Colors
2. Approve Agenda
3. Comments and Announcements
4. Approve Bills

**8:35 Delegations/Board Appointments/Public Comments\***

**8:40 Consent Agenda**

1. March 12, 2024 Regular Board Meeting Proceedings
2. March 19, 2024, Special Board Meeting Proceedings
3. Roseau County Trailblazers – 3<sup>rd</sup> Benchmark Payment

**8:45 Committee Reports**

**8:50 Department Reports**

1. Attorney
  - a. Advertise to Hire – Legal Administrative Assistant
2. Highway
  - a. Advertise to Hire – Maintenance Operator I
  - b. Resolution – City of Roseau Grant Sponsorship Agreement

**9:00 PUBLIC HEARING – PROPERTY TAX ABATEMENT REQUEST**

**9:15 County Board Items**

1. Commissioner Committee Reports

**9:30 Unfinished Business**

**9:30 Adjourn**

**NOTE:** You may attend this meeting in-person, or virtually via ZOOM. Contact the County Coordinator's Office (218-463-4248), or via email [joleen.kezar@co.roseau.mn.us](mailto:joleen.kezar@co.roseau.mn.us), to request a Zoom link to attend this meeting.

\* -Limited to 5 minutes



**PROCEEDINGS OF THE ROSEAU COUNTY BOARD OF COMMISSIONERS**

March 12, 2024

The Board of Commissioners of Roseau County, Minnesota met in the Courthouse in the City of Roseau, Minnesota on Tuesday, March 12, 2024.

**CALL TO ORDER**

Board Chair Levi Novacek called the meeting to order at 8:30 a.m. The Pledge of Allegiance was recited. Commissioners present were Kermit Jensen, Levi Novacek, Glenda Phillipe, Jack Swanson, and Daryl Wicklund. Others present were Martha Monsrud, Jeff Pelowski, Joleen Kezar, Daryle Dahl, Rich Gross, Ericka Halstengard, Martin Howes, Kristy Kjos, Karla Langaas, and Mike Trinkka; while those attending via ZOOM were Kerri Byfuglien, Dan Davidson, Brenda McMillin, Pam Shaw, and Cindy Tangen.

**APPROVAL OF AGENDA**

Coordinator Pelowski requested the addition of a City of Roseau Tax Abatement Public Hearing request to County Board Items. A motion to approve the amended Agenda was made by Commissioner Swanson, seconded by Commissioner Novacek, and carried unanimously.

**COMMENTS AND ANNOUNCEMENTS**

Commissioner Wicklund commented on the City of Greenbush receiving \$1,000,000.00 in grant funds for a day care facility.

**APPROVE BILLS**

A motion was made by Commissioner Wicklund, seconded by Commissioner Jensen, and carried unanimously to approve the payment of the following warrants:

**Warrants Approved For Payment 2/29/2024 (Warrant #154327-154333)**

<u>Vendor Name</u>	<u>Amount</u>
AGASSIZ ASPHALT LLC	268,211.10
FARMERS UNION OIL CO-WARROAD	5,678.49
ROSEAU CO COOP ASSN	8,500.41
4 Payments less than 2,000.00	1,517.98
<b>Final Total:</b>	<b>283,907.98</b>

**Warrants Approved For Payment 3/07/2024 (Warrant #154334-154354)**

<u>Vendor Name</u>	<u>Amount</u>
FARMERS UNION OIL CO-WARROAD	2,646.72
MN DEPT OF FINANCE -TREAS	2,003.00
NINTH JUDICIAL DISTRICT	20,000.00
NORTHERN RESOURCES COOPERATIVE	10,242.66
ROSEAU CITY	11,468.23
ROSEAU CO TRAILBLAZERS	46,471.65
SUN LIFE ASSURANCE COMPANY OF CAN	2,584.13
WIKSTROM TELECOM-INTERNET	3,218.34
13 Payments less than 2,000.00	7,382.69
<b>Final Total:</b>	<b>106,017.42</b>

**Warrants Approved For Payment 3/15/2024 (Warrant #154355-154427)**

<u>Vendor Name</u>	<u>Amount</u>
ASSN OF MN COUNTIES	2,212.00

COULOMBE CONSULTING	4,500.00
GUARDIAN FLEET SAFETY LLC	5,137.99
JOHNSON CONTROLS FIRE PROTECTION L	13,664.30
KC TECH LLC	4,050.00
MIDSTATES EQUIPMENT & SUPPLY	33,386.81
NORMAN COUNTY HIGHWAY DEPARTMENT	9,080.51
NORTHLAND TIRE	2,322.40
PETERSON SHEET METAL INC	2,674.66
POMP'S TIRE SERVICE, INC	20,503.08
ROSEAU TIMES REGION INC	2,130.05
RTVISION INC	3,000.00
SHORT ELLIOT HENDRICKSON INC	2,196.60
SJOBORG'S INC	2,435.25
UNIVERSITY OF NORTH DAKOTA	9,568.23
58 Payments less than 2,000.00	23,623.38
<b>Final Total:</b>	<b>140,485.26</b>

## **DELEGATIONS/BOARD APPOINTMENTS/PUBLIC COMMENTS - NONE**

### **CONSENT AGENDA**

A motion to approve the Consent Agenda was made by Commissioner Wicklund, seconded by Commissioner Phillippe, and carried unanimously. The Board, by adoption of its Consent Agenda, approved the February 27, 2024, Regular Board meeting proceedings; and, approved the Roseau County Trailblazers Application for Exempt Permit.

### **COMMITTEE REPORTS**

#### **BUILDING COMMITTEE**

##### Veteran Services Office Remodel

Building Maintenance Supervisor Trinka, representing the Building Committee, requested Board approval to proceed with the Veteran Services Office remodeling project, at an estimated cost of \$6,500.00. The Building Committee met on February 28, 2024, and, as an outcome of that meeting, are recommending the County proceed with the Project. The Building & Grounds Departmental Budget will cover the cost of the Project. Following discussion, Commissioner Swanson made a motion, seconded by Commissioner Novacek, and carried unanimously, to approve the Project as presented.

### **DEPARTMENT REPORTS**

#### **HIGHWAY**

##### Call for Bids – 2024 Projects

Engineer Halstensgard requested Board approval to call for bids for the following projects: SAP 068-613-026 (CSAH 13 Culvert Replacement); SAP 068-616-007 (CSAH 16 Grading & Aggregate Surfacing); and, SAP 068-645-001 (CSAH 45 Grading & Aggregate Base). Following discussion, Commissioner Wicklund made a motion, seconded by Commissioner Swanson, and carried unanimously to approve the call for bids as presented.

##### CSAH 75 Project Discussion

Engineer Halstensgard led a discussion regarding the proposed CSAH 75 Project in Warroad. The Project would repair Cedar Avenue in Warroad from State Highway 11 to Lake

Street. The Engineer's estimate for the Project was approximately \$2.7 million, while the low bid for the Project was approximately \$3.6 million. Since the City of Warroad will be financially responsible for a portion of the Project cost, Board consensus was to take no action until the City makes a decision to either go forward with the Project, or not. Therefore, the Board set a Special Board Meeting for Tuesday, March 19, 2024, to further discuss the Project assuming the City takes action prior to the Special Meeting date.

## **SOCIAL SERVICES**

### Advertise to Hire – Child Support Officer

Director Langaas requested Board approval to advertise to hire a Child Support Officer due to an upcoming retirement. Following discussion, Commissioner Swanson made a motion, seconded by Commissioner Phillipe, and carried unanimously to approve advertising to hire a Child Support Officer as requested.

## **COORDINATOR**

### Pay Grade Revision Request

Based upon the results of a recent review/re-rating of a revised HR/Benefits Administrator job description by MRA, Coordinator Pelowski requested Board approval to move the position from a Center Grade 6, Extended Range 7, to a Center Grade 7, Extended Range 8; and, to move current HR/Benefits Administrator, Patty Ignaszewski, from a Center Pay Grade 6, Step G, to an Extended Range 8, Step D, effective retroactively to December 24, 2023. Following discussion, Commissioner Swanson made a motion to approve moving the HR/Benefits Administrator position from a Center Grade 6, Extended Range 7, to a Center Grade 7, Extended Range 8, seconded by Commissioner Novacek, and carried unanimously. Following further discussion, Commissioner Swanson made a motion to approve moving Patty Ignaszewski from a Center Grade 6, Step G, to an Extended Range 8, Step D, effective December 24, 2023, seconded by Commissioner Jensen, and carried by a 4 to 1 vote, with Commissioners Jensen, Novacek, Swanson, and Wicklund voting yes, and Commissioner Phillipe voting no.

## **AUDITOR-RECORDER-TREASURER**

### Advertise to Hire – Deputy Auditor-Payroll/Elections Administrator

Auditor-Recorder-Treasurer Monsrud requested Board approval to advertise to hire a Deputy Auditor-Payroll/Elections Administrator as the position is currently vacant. Following discussion, Commissioner Swanson made a motion, seconded by Commissioner Jensen, and carried unanimously to approve advertising to hire as requested.

### Pay Grade Revision Request(s)

Auditor-Recorder-Treasurer Monsrud requested Board approval of pay grade revisions for Deputy Treasurer Stacey Skalsky, from a Center Grade 6, Step D, to an Extended Range Grade 7, Step B; Chief Deputy Recorder Renae Hamilton from a Center Grade 6, Step G, to an Extended Range 7, Step E; and, Deputy Recorder Brenda McMillin from a Center Grade 5, Step G, to an Extended Range Pay Grade 6, Step E, effective retroactively to February 18, 2024. These three positions were not moved to an extended range following the merger of the Auditor, Recorder, and Treasurer departments as the job descriptions at the time of the merger were likely to change in the near future. However, since the merger, their job duties and responsibilities have now evolved to a point warranting movement from a center pay grade to an extended range for the individuals filling these positions. Following discussion, Commissioner Swanson motioned to approve the pay grade revisions as presented, seconded by

Commissioner Novacek, and carried by a 4 to 1 vote, with Commissioners Jensen, Novacek, Swanson, and Wicklund voting yes, and Commissioner Phillipe voting no.

## **ASSESSOR**

### Board Resolution – Grant Application

Assessor Lund requested Board approval of a Remonumentation Grant Resolution and authorization for Assessor Lund to execute any grant-associated documents on behalf of the County. Following discussion, Commissioner Wicklund made a motion, seconded by Commissioner Phillipe, and carried unanimously to approve the following Resolution:

### **2024-03-01**

#### **REMONUMENTATION GRANT RESOLUTION**

**WHEREAS**, Roseau County is responsible for maintaining Public Land Survey System (PLSS) corners in Roseau County; and

**WHEREAS**, Roseau County has approximately 4,800 PLSS corners that need to be remonumented; and

**WHEREAS**, the Minnesota IT Services, through the Minnesota Geospatial Information Office (MnGeo), has a Public Land Survey System (PLSS) Monument Grant program available to be utilized by Minnesota County governments; and

**WHEREAS**, the Roseau County Assessor's Office has reviewed the funding requests and the "Duties of a Fiscal Agent" document provided by the State, and is fully aware of the work that will occur if funded, the project timeline, and the project budget

**NOW, THEREFORE BE IT RESOLVED**, that the Roseau County Board of Commissioners authorizes the Roseau County Assessor's Office to submit a proposal for the project titled "Remonumentation of Jadis, Jadis Addition and Spruce Townships", up to the amount of \$300,000.00 of grant funding from the MnGeo PLSS Monument Grant program.

**NOW, THEREFORE, BE IT FURTHER RESOLVED**, that the Roseau County Board of Commissioners authorizes the Roseau County Assessor's Office to act as the fiscal agent, if funding is awarded, for the 2024 project titled "Remonumentation of Jadis, Jadis Addition and Spruce Townships", and will comply with all terms as stated in the Fiscal Agent Agreement.

## **COUNTY BOARD ITEMS**

### Appropriation Request – Greenbush American Legion

The Greenbush American Legion Club has received a \$40,000.00 grant from Northwest Community Action to remodel and improve the Club building, and the grant requires \$10,000.00 in matching funds. The Club is requesting the County allocate some, or all, of the required matching funds. The Project details and scope were presented to the Board at the March 5, 2024, Board Work Session. Following discussion, Commissioner Wicklund made a motion, seconded by Commissioner Novacek, and carried unanimously to approve a \$10,000.00 allocation (ConCon Funds) to the Greenbush American Legion Club as requested.

### City of Roseau Tax Abatement – Set Public Hearing

The City of Roseau requested Board approval to schedule a Public Hearing for a tax abatement request regarding the proposed Ten01 apartment project. Following discussion, Commissioner Swanson made a motion to set the Public Hearing for Tuesday, March 26, 2024, 9:00 a.m., County Boardroom, seconded by Commissioner Phillipe, and carried unanimously.

### Commissioner Committee Reports (February 27 – March 12, 2024)

Commissioner Jensen reported on the following committees(s): Highway Committee Meeting; Roosevelt City Council Meeting; Operations Committee Meeting; County Board Work Session; and Minnesota Rural Counties Meeting.

Commissioner Novacek reported on the following committee(s): Highway Committee Meeting; Operations Committee Meeting; County Board Work Session; Roseau River Watershed District Board Special Meeting; Canvassing Board Meeting.

Commissioner Phillippe reported on the following committee(s): Highway Committee Meeting; Sheriff's Office Public Meeting; Greater Minnesota Parks and Trails Committee Meeting; Minnesota Rural Counties Meeting; Operations Committee Meeting; County Board Work Session; Community Justice Coordinating Committee Meeting.

Commissioner Swanson reported on the following committee(s): Highway Committee Meeting; Law Library Meeting; Building Committee Meeting; Roseau Economic Development Authority Meeting; Association of Government Risk Pools Conference; Operations Committee Meeting; County Board Work Session; Minnesota Counties Intergovernmental Trust Board of Directors Meeting; Association of Minnesota Counties Futures Task Force Meeting.

Commissioner Wicklund reported on the following committee(s): Highway Committee Meeting; Operations Committee Meeting; County Board Work Session; Northwest Regional Development Commission Meeting; Canvassing Board Meeting; Roseau/Kittson Counties Joint Ditch Meeting.

#### **UNFINISHED BUSINESS - NONE**

Upon motion carried, the Board adjourned the Regular meeting at 9:55 a.m. A Special Board Meeting is scheduled for Tuesday, March 19, 2024, at 8:30 a.m., and the next Regular Board Meeting is scheduled for Tuesday, March 26, 2024, at 8:30 a.m.

Attest:

Date: \_\_\_\_\_

\_\_\_\_\_  
Jeff Pelowski, County Coordinator  
Roseau County, Minnesota

\_\_\_\_\_  
Levi Novacek, Chair  
Board of County Commissioners





# PROCEEDINGS OF THE ROSEAU COUNTY BOARD OF COMMISSIONERS

March 19, 2024

The Board of Commissioners of Roseau County, Minnesota met in Special Session at the Courthouse in the City of Roseau, Minnesota on Tuesday, March 19, 2024.

## CALL TO ORDER

Board Chair Levi Novacek called the Special Meeting to order at 8:30 a.m. The Pledge of Allegiance was recited. Commissioners present were Levi Novacek, Glenda Phillipe, Jack Swanson, and Daryl Wicklund. Commissioner Kermit Jensen was absent. Others attending were Jeff Pelowski, Joleen Kezar, Daryle Dahl, and Erick Halstengard. Attending through ZOOM were Kerri Byfuglien, Kristy Kjos, Brenda McMillin, Pam Shaw, Cindy Tangen, and Mike Trinka.

## PUBLIC COMMENTS

There were no public comments.

## COUNTY BOARD ITEMS

### CSAH 75 Project Discussion

As a follow-up to the March 12, 2024, Regular Board meeting discussion on this topic, Engineer Halstengard informed the Board that the City of Warroad did approve their portion of the CSAH 75 Project with some minor revisions. Therefore, the Highway Department is recommending the Board approve moving forward with the County portion of the Project. The Engineer's estimate (MnDOT) for the Project originally came in at \$2,690,134.95, while the low bid for the Project came in at \$3,591,646.51. Following discussion, Commissioner Phillipe made a motion, seconded by Commissioner Swanson, and carried unanimously to move forward with the Project as presented.

### Personal Leave of Absence Request

Coordinator Pelowski provided a copy of the County Personal Leave of Absence Policy to the Board due to a request for a personal leave of absence from Emergency Management Co-Director Sue Grafstrom. Following discussion, Commissioner Swanson made a motion, seconded by Commissioner Phillipe, and carried unanimously to approve the leave of absence for a period not to exceed ninety (90) days.

Upon motion carried, the Board adjourned the Special meeting at 9:00 a.m. The next Regular meeting of the Board is scheduled for Tuesday, March 26, 2024, at 8:30 a.m.

Attest:

Date: \_\_\_\_\_

\_\_\_\_\_  
Jeff Pelowski, County Coordinator  
Roseau County, Minnesota

\_\_\_\_\_  
Levi Novacek, Chair  
Board of County Commissioners  
Roseau County, Minnesota



# Roseau County Request for Board Action

<b>Agenda Item #:</b> Consent 3 <small>(for office use only)</small>		
<b>Requested Board Date:</b>	March 26, 2024	<b>Originating Department:</b> Roseau County Trailblazers
<b>Subject Title (as it will appear on the Agenda):</b> Roseau County Trailblazers – 3 <sup>rd</sup> Benchmark		<b>Presenter:</b> Myles Hogenson
		<b>Estimated Amount of Time Needed for Discussion:</b> <input checked="" type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes
<b>Board Action Requested:</b> Requesting Board approval of the Roseau County Trailblazers 3 <sup>rd</sup> Benchmark payment, in the amount of \$30,862.65.		
<b>Background:</b>		
<b>Supporting Documentation:</b> <input checked="" type="checkbox"/> Attached <input type="checkbox"/> None		
<b>Agenda Classification for County Board Meeting:</b> <input type="checkbox"/> Delegations/Board Appointments <input checked="" type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		

# SNOWMOBILE TRAILS ASSISTANCE PROGRAM MAINTENANCE AND GROOMING

## Certification of Satisfactory Grooming

2<sup>nd</sup> Benchmark – Due By February 15<sup>th</sup>

3<sup>rd</sup> Benchmark – Due By April 15<sup>th</sup>

Trail Name: Roseau County Trailblazers/BISF 1

Club/Organization Name: Roseau County Trailblazers Snowmobile Club

Trail Administrator Signature Tyles Hogum Date 3/20/2024

By signing this form, the Sponsor certifies that the above snowmobile trail has been satisfactorily groomed  
 \_\_\_\_\_ from opening day through January 15<sup>th</sup>; or  
10 from January 16<sup>th</sup> through the end of the season or April 1<sup>st</sup>.

Is there any reason why the Department of Natural Resources should withhold any part of this payment?  
 YES \_\_\_\_\_ NO 10

If YES, please elaborate: \_\_\_\_\_

Sponsor Name (Local Unit of Government): Roseau County

Sponsor Signature: \_\_\_\_\_ Date \_\_\_\_\_

Title: \_\_\_\_\_

Amount requested \$30,862.65 (Up to 25% of the original contract.)

### DEPARTMENT USE ONLY

#### THIS INVOICE APPROVED FOR PAYMENT BY:

Parks and Trails Area Supervisor – OK TO PAY	Date	FY	Amount
SWIFT PO: 3000242860	RECEIPT #		
VENDOR #: 0000197344	LINE #		
SERVICE BEGIN DATE: <u>December 1, 2023</u>	SERVICE END DATE: <u>January 15, 2024</u>		
SERVICE BEGIN DATE: <u>January 16, 2024</u>	SERVICE END DATE: <u>March 31, 2024</u>		
INVOICE #:  <u>BM2</u>  <u>BM3</u>	Vendor Name and Address: <u>Roseau County</u> <u>606 5<sup>th</sup> Ave SW</u> <u>Roseau, MN 56751</u>		



# Roseau County Request for Board Action

<b>Agenda Item #:</b> Department Reports 1a <small>(for office use only)</small>		
<b>Requested Board Date:</b>	March 26, 2024	<b>Originating Department:</b> Attorney
<b>Subject Title (as it will appear on the Agenda):</b> Advertise to Hire – Legal Administrative Assistant	<b>Presenter:</b> Kristy Kjos	
	<b>Estimated Amount of Time Needed for Discussion:</b> <input checked="" type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes	
<b>Board Action Requested:</b> Requesting Board authorization to advertise to hire a Regular Part-time Legal Administrative Assistant.		
<b>Background:</b> .		
<b>Supporting Documentation:</b> <input type="checkbox"/> Attached <input checked="" type="checkbox"/> None		
<b>Agenda Classification for County Board Meeting:</b> <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		



# Roseau County Request for Board Action

<b>Agenda Item #:</b> Department Reports 2a <small>(for office use only)</small>		
<b>Requested Board Date:</b>	March 26, 2024	<b>Originating Department:</b> Highway
<b>Subject Title (as it will appear on the Agenda):</b> Advertise to Hire –Maintenance Operator 1	<b>Presenter:</b> Ericka Halstensgard	
	<b>Estimated Amount of Time Needed for Discussion:</b> <input checked="" type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes	
<b>Board Action Requested:</b> Requesting Board authorization to advertise to hire a full-time Maintenance Operator 1.		
<b>Background:</b>  		
<b>Supporting Documentation:</b> <input type="checkbox"/> Attached <input checked="" type="checkbox"/> None		
<b>Agenda Classification for County Board Meeting:</b> <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		



# Roseau County Request for Board Action

<b>Agenda Item #:</b> Department Reports 2b <small>(for office use only)</small>		
<b>Requested Board Date:</b>	March 26, 2024	<b>Originating Department:</b> Highway
<b>Subject Title (as it will appear on the Agenda):</b> Resolution - City of Roseau Grant Sponsorship Agreement	<b>Presenter:</b> Ericka Halstensgard	
	<b>Estimated Amount of Time Needed for Discussion:</b> <input type="checkbox"/> < 5 minutes <input checked="" type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes	
<b>Board Action Requested:</b>  The City of Roseau is requesting Board approval of the attached Resolution which authorizes the execution of MnDOT Agreement #1055998 (attached), and designates the County as the fiscal agent and sponsor of the Project on behalf of the City.		
<b>Background:</b>          		
<b>Supporting Documentation:</b> <input checked="" type="checkbox"/> Attached <input type="checkbox"/> None		
<b>Agenda Classification for County Board Meeting:</b> <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input checked="" type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		



A motion was made by Commissioner XXXX, seconded by Commissioner XXXX, and carried unanimously to adopt the following Resolution:

2024-03-03

MINNESOTA DEPARTMENT OF TRANSPORTATION AGENCY AGREEMENT

BE IT RESOLVED, that pursuant to Minnesota Statute Section 161.36, the Commissioner of Transportation be appointed as Agent of Roseau County to accept as its agent, federal aid funds which may be made available for eligible transportation related projects.

BE IT FURTHER RESOLVED, the Roseau County Board Chair and the Auditor-Recorder-Treasurer are hereby authorized and directed for and on behalf of Roseau County to execute and enter into an Agreement with the Commissioner of Transportation prescribing the terms and conditions of said federal aid participation as set forth and contained in "Minnesota Department of Transportation Agency Agreement No. 1055998", a copy of which said Agreement was before the County Board and which is made a part hereof by reference.

STATE OF MINNESOTA )
) ss
COUNTY OF ROSEAU )

I, Jeff Pelowski, County Coordinator in and for Roseau County, Minnesota, do hereby certify that the foregoing is a true and correct copy of a part of the proceedings adopted by the Roseau County Board of Commissioners on March 26, 2024.

Jeff Pelowski
Roseau County Coordinator



**STATE OF MINNESOTA**

**AGENCY AGREEMENT**

for

**FEDERAL PARTICIPATION IN PRELIMINARY ENGINEERING**

**State Project Number:** 068-090-008

**FAIN:** CRP 6824(236)

This Agreement is entered into by and between Roseau County (“Local Government”) and the State of Minnesota acting through its Commissioner of Transportation (“MnDOT”).

**RECITALS**

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1. Pursuant to Minnesota Statutes Section 161.36, the Local Government desires MnDOT to act as the Local Government's agent in accepting federal funds on the Local Government's behalf for the construction, improvement, or enhancement of transportation financed either in whole or in part by federal funds, hereinafter referred to as the “Project”; and
2. The Local Government is proposing a federal aid project for preliminary engineering for the Roseau River Trail, hereinafter referred to as “Preliminary Engineering;” and
3. The Preliminary Engineering is eligible for the expenditure of federal aid funds, and is identified in MnDOT records as State Project 068-090-008, and in Federal Highway Administration (“FHWA”) records as Minnesota Project CRP 6824(236); and
4. The Assistance Listing Number (ALN) for this project is 20.205 and
5. These funds are not for research and development; and
6. MnDOT requires that the terms and conditions of this agency be set forth in an agreement.

**AGREEMENT TERMS**

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**1. Term of Agreement**

1.1. **Effective Date.** This Agreement will be effective upon execution by the Local Government and by appropriate State officials, pursuant to Minnesota Statutes Section 16C.05, and will remain in effect for five (5) years from the effective date or until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.

**2. Local Government’s Duties**

2.1. **Designation.** The Local Government designates MnDOT to act as its agent in accepting federal funds on its behalf made available for the Preliminary Engineering.

2.2. **Staffing.**

2.2.1. The Local Government will designate a publicly employed and registered engineer, (“Project Engineer”), to be in responsible charge of the Project and to supervise and direct the work performed under any contract let for the Project. If Local Government elects to use a private consultant for



engineering services, the Local Government will provide a qualified, full-time public employee of the Local Government to be in responsible charge of the Project. The services of the Local Government to be performed pursuant to this Agreement may not be assigned, sublet, or transferred unless the Local Government is notified in writing by MnDOT that such action is permitted under 23 CFR 1.33 and 23 CFR 635.105 and state law. This written consent will in no way relieve the Local Government from its primary responsibility for performance of the work.

2.2.2. During the progress of the work on the Project, the Local Government authorizes its Project Engineer to request in writing specific engineering and/or technical services from MnDOT, pursuant to Minnesota Statutes Section 161.39. Such services may be covered by other technical service agreements. If MnDOT furnishes the services requested, and if MnDOT requests reimbursement, then the Local Government will promptly pay MnDOT to reimburse the state trunk highway fund for the full cost and expense of furnishing such services. The costs and expenses will include the current MnDOT labor additives and overhead rates, subject to adjustment based on actual direct costs that have been verified by audit. Provision of such services will not be deemed to make MnDOT a principal or co-principal with respect to the Project.

2.2.3. The Local Government will furnish the personnel, services, supplies, and equipment necessary to properly supervise, inspect, and document the work for the Project.

**3. Pre-Award and Award.** The Local Government will follow the applicable Procurement Method

3.1. Competitive negotiation (qualifications-based selection). Local Government shall use the competitive negotiation method for the procurement of engineering and design related services when FAHP funds are involved in the contract, as specified in 23 U.S.C. 112(b)(2)(A).

3.1.1. The Local Government will prepare request for proposals in accordance with Minnesota law and applicable Federal laws and regulations.

3.1.2. The Local Government will solicit proposals for Preliminary Engineering after obtaining written notification from MnDOT that the FHWA has authorized the Project. Any Project advertised prior to authorization will not be eligible for federal reimbursement.

3.1.3. The Local Government will prepare and publish the request for proposals and any addendums for the Project as required by state and federal laws. The Local Government will include in the solicitation the required language for federal-aid contracts as supplied by MnDOT. The solicitation will state where the Local Government will receive the sealed proposals.

3.1.4. The Local Government may not include other work in the contract for the authorized Project without obtaining prior notification from MnDOT that such work is allowed by FHWA. Failure to obtain such notification may result in the loss of some or all of the federal funds for the Project.

3.1.5. The Local Government will receive, open, and evaluate proposals in accordance with the requirements of the Brooks Act. After the selecting the highest ranked firm, the Local Government will prepare an independent agency estimate of the Preliminary Engineering and enter into negotiations for a contract that is fair and reasonable to the Federal Government. The negotiation with the highest ranked firm will establish elements of contract costs, accepting indirect cost rate(s) for application to contracts, and assuring consultant compliance with the Federal cost principles in accordance with § 172.11. Subconsultant agreements must contain all required contract provisions, assurances, and certifications in accordance with § 172.9.

3.1.6. If the Local Government is unable to negotiate a satisfactory contract with the highest ranked firm, the Local Government must undertake negotiations with the next highest ranked firm, continuing the process until a contract agreement for fair and reasonable compensation is reached. Section 172.7(a)(1)(iv)(E)

- 3.1.7. The Local Government will verify suspension and debarment actions and eligibility of consultants, as specified in 2 CFR part 1200 and 2 CFR part 180; The Local Government will then evaluate interests, qualifications, or proposals and the ranking/selection of each eligible consultant.
- 3.1.8. If the proposal contains a goal for Disadvantaged Business Enterprises (DBEs), the Local Government will not award the bid until it has received certification of the Disadvantaged Business Enterprise participation from the MnDOT Office of Civil Rights.
- 3.1.9. This written consent will in no way relieve the Local Government from its primary responsibility for performance of the work.
- 3.1.10. The Local Government must disclose in writing any potential conflict of interest to the Federal awarding agency or MnDOT in accordance with applicable FHWA policy.
- 3.1.11. Local Government may not execute a contract in excess of \$50,000 with a third-party consultant or subcontractor for Preliminary Engineering, as determined by MnDOT, unless MnDOT has conducted a pre-award audit on the third-party consultant or subcontractor. Local Government may incorporate any recommendations resulting from MnDOT's pre-award audit into Local Government's contract with the third-party consultant or subcontractor. Costs for these services must be reasonable in relation to the services rendered. At any time during the Agreement or during the final audit, MnDOT may audit and adjust the costs charged for such services in accordance with 2 CFR 200.459. If Local Government has questions or is concerned that the costs charged for such services may not be reasonable, Local Government should contact MnDOT's authorized representative for guidance.
- 3.2. Small Purchases. Local Government may use the small purchase procedures that reflect applicable State laws and regulations for the procurement of engineering and design related services provided the total contract costs do not exceed the Federal simplified acquisition threshold (as defined in 48 CFR 2.101). When a lower threshold for use of small purchase procedures is established in State law, regulation, or policy, the lower threshold shall apply to the use of FAHP funds.
- 3.2.1. The Local Government will prepare the scope of work, project phases, and contract requirements and shall not break these down into smaller components merely to permit the use of small purchase procedures.
- 3.2.2. The Local Government will provide a minimum of two consultants to satisfy the adequate number of qualified sources reviewed. In instances where only two qualified consultants respond to the solicitation, the Local Government may proceed with evaluation and selection if it is determined that the solicitation did not contain conditions or requirements which arbitrarily limited competition. Alternatively, a Local Government may pursue procurement following the noncompetitive method when competition is determined to be inadequate and it is determined to not be feasible or practical to re compete under a new solicitation as specified in § 172.7(a)(3)(iii)(C).
- 3.2.3. The Local Government will negotiate contract costs in accordance with small purchase procedures; however, the allowability of costs shall be determined in accordance with the Federal cost principles.
- 3.2.4. The Local Government will verify the full amount of any contract modification or amendment will not cause the total contract amount to exceed the established simplified acquisition threshold is ineligible for Federal-aid funding. The FHWA may withdraw all Federal-aid from a contract if it is modified or amended above the applicable established simplified acquisition threshold.
- 3.3. Non Competitive. The following requirements shall apply to the noncompetitive procurement method:
- 3.3.1. The Local Government may use its own noncompetitive procedures that reflect applicable State and local laws and regulations and conform to applicable Federal requirements.
- 3.3.2. The Local Government shall establish a process to determine when noncompetitive procedures will be used and shall submit justification to, and receive approval from FHWA before using this form of contracting.

3.3.3. The Local Government may award a contract by noncompetitive procedures under the following limited circumstances:

- (a) The service is available only from a single source;
- (b) There is an emergency which will not permit the time necessary to conduct competitive negotiations; or
- (c) After solicitation of a number of sources, competition is determined to be inadequate.
- (d) Contract costs may be negotiated in accordance with Local Government noncompetitive procedures; however, the allowability of costs shall be determined in accordance with the Federal cost principles.

3.4. Contract Administration. The Local Government will monitor the consultant's work and compliance with the terms, conditions, and specifications of the contract.

3.4.1. The Local Government will request approval from MnDOT for all costs in excess of the amount of federal funds previously approved for the Project prior to incurring such costs. Failure to obtain such approval may result in such costs being disallowed for reimbursement.

3.4.2. The Local Government will prepare reports, keep records, and perform work so as to enable MnDOT to collect the federal aid sought by the Local Government. The Local Government will retain all records and reports in accordance with MnDOT's record retention schedule for federal aid projects.

3.4.3. Upon completion of the Project, the Project Engineer will determine whether the work will be accepted.

3.4.4. The Local Government will determine the extent to which the consultant, which is responsible for the professional quality, technical accuracy, and coordination of services, may be reasonably liable for costs resulting from errors and omissions in the work furnished under its contract;

3.4.5. The Local Government will assess administrative, contractual, or legal remedies in instances where consultants violate or breach contract terms and conditions, and providing for such sanctions and penalties as may be appropriate; and

3.4.6. The Local Government will resolve disputes in the procurement, management, and administration of engineering and design related consultant services.

3.4.7. The Local Government will prepare a consultant's performance evaluation when services are completed and using such performance data in future evaluation and ranking of consultant to provide similar services.

3.4.8. The Local Government will close out the contract once the evaluation is completed.

3.4.9. The Local Government must comply with all applicable Federal, State, and local laws, ordinances, and regulations.

#### 4. MnDOT's Duties

4.1. **Acceptance.** MnDOT accepts designation as Agent of the Local Government for the receipt and disbursement of federal funds and will act in accordance herewith.

#### 4.2. **Project Activities.**

4.2.1. MnDOT will make the necessary requests to the FHWA for authorization to use federal funds for the Project, and for reimbursement of eligible costs pursuant to the terms of this Agreement.

4.2.2. MnDOT will provide to the Local Government copies of the required Federal-aid clauses to be included in the proposal solicitation and will provide the required Federal-aid provisions to be included in the Proposal.

4.2.3. MnDOT will review and certify the DBE participation and notify the Local Government when certification is complete. If certification of DBE participation cannot be obtained, then the Local

Government must decide whether to proceed with awarding the contract. Failure to obtain such certification will result in the project becoming ineligible for federal assistance, and the Local Government must make up any shortfall.

- 4.3. Authority. MnDOT may withhold federal funds, if MnDOT or the FHWA determines that the Project was not completed in compliance with federal requirements.
- 4.4. Inspection. MnDOT, the FHWA, or duly authorized representatives of the state and federal government will have the right to audit, evaluate and monitor the work performed under this Agreement. The Local Government will make all books, records, and documents pertaining to the work hereunder available for a minimum of seven years following the closing of the construction contract.

## 5. Time

- 5.1. The Local Government must comply with all time requirements described in this Agreement. In the performance of this Agreement, time is of the essence.
- 5.2. The period of performance is defined as beginning on the date of federal authorization and ending on the date defined in the federal financial system or federal agreement ("end date"). **No work completed** after the **end date** will be eligible for federal funding. Local Government must submit all contract close out paperwork to MnDOT at least twenty-four months prior to the **end date**.

## 6. Payment

- 6.1. The estimated cost of the Preliminary Engineering is \$316,250.00.
  - 6.1.1. It is anticipated that 80% (up to \$ 253,000.00) of the cost of the Preliminary Engineering is to be paid from federal funds made available by the FHWA, and that the remaining 20% shall be paid by the Local Government. The Local Government will pay any part of the cost or expense of the work that the FHWA does not pay.
  - 6.1.2. Costs incurred as of the federal authorization date of 02/05/2024 will be eligible, if approved, for federal participation. Any costs incurred by the Local Government prior to the federal authorization date will not be eligible for federal participation.
  - 6.1.3. Eligible cost and expense, if approved, may consist of the following:
    - a. The cost of completing plans, specifications, and estimates for the project to be let for competitive bids, costs of completing environmental documents, cost and expenses of acquiring necessary permits, and other project related engineering work as needed.
    - b. The direct labor charges for Local Government employees for the time that said employees are performing work pursuant to this Agreement must be documented in a Public Interest Finding and approved by the FHWA. Said labor charges may include the prorata share of "labor additives" applicable to said labor charges. Costs to the Local Government of "labor additives" consisting of holiday pay, vacation, sick leave, retirement, pension, unemployment taxes, compensation and liability insurance, lost time charges and similar costs incidental to labor employment will be reimbursed only when supported by adequate records.
    - c. Expenditures for materials, supplies, mechanical data processing and equipment rental, limited to the actual expenditures for the purposes of this Agreement.
    - d. The cost incurred by the Local Government to employ outside forces to perform any or all of the work pursuant to this Agreement, subject to the provisions of section I.D. SUBLETTING.
  - 6.1.4. Expenditures for general administration, supervision, maintenance and other overhead or incidental expenses of the Local Government are not eligible for federal participation.

- 6.1.5. Acceptability of costs under this Agreement will be determined in accordance with the cost principles and procedures set forth in the applicable Federal Acquisition Regulations, Contract Cost Principals and Procedures, 48 Code of Federal Regulations (CFR) 31 which is hereby incorporated by reference and made a part of this Agreement.
- 6.1.6. For costs expected to exceed \$316,250.00, the Local Government must request the preparation and execution of a supplement to this Agreement, prior to incurring such costs.
- 6.2. **Cost.** The entire cost of the Project(s) is to be paid from federal funds made available by the FHWA and by other funds provided by the Local Government. The Local Government will pay any part of the cost or expense of the Project(s) that is not paid by federal funds. MnDOT will receive the federal funds to be paid by the FHWA for the Project(s), pursuant to Minnesota Statutes § 161.36, Subdivision 2. MnDOT will review and sign each partial pay request. Following certification of the partial estimate, MnDOT will reimburse the Local Government, from said federal funds made available to the Project, for each partial payment request, subject to the availability and limits of those funds.
- 6.2.1. The Local Government may request partial payments not more than once each thirty (30) days. The Project Engineer will certify each partial payment.
- 6.2.2. The invoice and supplements thereto, will contain all details that may be necessary for a proper audit. Such details will consist of at least the following:
- (a) A breakdown of labor by individual, classification, dates and hours worked times the applicable rate to arrive at a total dollar amount for each individual.
  - (b) The labor additive shall be applied to total labor dollars.
  - (c) The equipment charges shall be broken down by type of equipment times the applicable rate and dates used to arrive at total equipment charges.
  - (d) A detailed breakdown of outside services used and supporting invoices and documentation that costs of outside services have been paid.
  - (e) Detail for materials, supplies, and other items with the description, units, and unit prices included in the invoice. If materials or supplies are purchased from an outside source, a copy of that invoice should be included.
  - (f) The invoices will include 100% of eligible charges applicable to the Preliminary Engineering so that the prorata share of federal and Local Government participation can be applied to the total costs.
- 6.2.3. Reimbursement of costs under this Agreement will be based on actual costs.
- 6.3. **Indirect Cost Rate Proposal/Cost Allocation Plan.** If the Local Government seeks reimbursement for indirect costs and has submitted to MnDOT an indirect cost rate proposal or a cost allocation plan, the rate proposed will be used on a provisional basis. At any time during the period of performance or the final audit of a project, MnDOT may audit and adjust the indirect cost rate according to the cost principles in 2 CFR Part 200. MnDOT may adjust associated reimbursements accordingly.
- 6.4. **Reimbursement.** The Local Government will prepare partial estimates in accordance with the terms of the construction contract for the Project(s). The Project Engineer will certify each partial estimate. Following certification of the partial estimate, the Local Government will make partial payments to the consultant in accordance with the terms of the construction contract for the Project(s).
- 6.4.1. Following certification of the partial estimate, the Local Government may request reimbursement for costs eligible for federal funds. The Local Government's request will be made to MnDOT and will include a copy of the certified partial estimate. No more than 90% of the reimbursement due under

this Agreement will be paid until completion of the final audit and approval by MnDOT's authorized representative.

- 6.4.2. Upon completion of the Project, the Local Government will prepare a final payment request in accordance with the terms of this Agreement. The Project Engineer will certify the final estimate. Following certification of the final estimate, the Local Government will make the final payment to the consultant in accordance with the terms of the construction contract for the Project(s).
  - 6.4.3. Following certification of the final estimate, the Local Government may request reimbursement for costs eligible for federal funds. The Local Government's request will be made to MnDOT and will include a copy of the certified final estimate along with the required records. MnDOT will review and certify the final payment request with a final audit.
  - 6.4.4. No more than 90% of the reimbursement due under this Agreement will be paid until completion of the final audit and approval by MnDOT's authorized representative.
  - 6.4.5. Upon completion of the Project(s), MnDOT will perform a final inspection and verify the federal and state eligibility of all payment requests. If the Project is found to have been completed in accordance with the plans and specifications, MnDOT will promptly release any remaining federal funds due the Local Government for the Project(s). If MnDOT finds that the Local Government has been overpaid, the Local Government must promptly return any excess funds
  - 6.4.6. In the event MnDOT does not obtain funding from the Minnesota Legislature or other funding source, If or funding cannot be continued at a sufficient level to allow for the processing of the federal aid reimbursement requests, the Local Government may continue the work with local funds only, until such time as MnDOT is able to process the federal aid reimbursement requests.
- 6.5. **Matching Funds.** Any cost sharing or matching funds required of the Local Government in this Agreement must comply with 2 CFR 200.306.
  - 6.6. **Federal Funds.** Payments under this Agreement will be made from federal funds. The Local Government is responsible for compliance with all federal requirements imposed on these funds and accepts full financial responsibility for failure to comply with any federal requirements including, but not limited to, 2 CFR Part 200. If, for any reason, the federal government fails to pay part of the cost or expense incurred by the Local Government, or in the event the total amount of federal funds is not available, the Local Government will be responsible for any and all costs or expenses incurred under this Agreement. The Local Government further agrees to pay any and all lawful claims arising out of or incidental to the performance of the work covered by this Agreement in the event the federal government does not pay the same.
  - 6.7. **Closeout.** The Local Government must liquidate all obligations incurred under this Agreement for each project and submit all financial, performance, and other reports as required by the terms of this Agreement and the Federal award at least twenty-four months prior to the **end date** of the period of performance for each project. MnDOT will determine, at its sole discretion, whether a closeout audit is required prior to final payment approval. If a closeout audit is required, final payment will be held until the audit has been completed. Monitoring of any capital assets acquired with funds will continue following project closeout.

## 7. Conditions of Payment.

- 7.1. All services provided by Local Government under this Agreement must be performed to MnDOT's satisfaction, as determined at the sole discretion of MnDOT's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Local Government will not receive payment for work found by MnDOT to be unsatisfactory or performed in violation of federal, state, or local law.

## 8. Authorized Representatives

## 8.1. MnDOT's Authorized Representative is:

Name: Rachel Broughton, or their successor.

Title: State Aid, Special Projects

Phone: 612-427-3907

Email: rachel.broughton@state.mn.us

MnDOT's Authorized Representative has the responsibility to monitor Local Government's performance and the authority to accept the services provided under this Agreement. If the services are satisfactory, MnDOT's Authorized Representative will certify acceptance on each invoice submitted for payment.

## 8.2. The Local Government's Authorized Representative is:

Name: Erika Halstensgard, or their successor.

Title: Roseau County Engineer

Phone: 218-463-2063

Email: ericka.halstensgard@co.roseau.mn.us

If the Local Government's Authorized Representative changes at any time during this Agreement, the Local Government will immediately notify MnDOT.

## 9. Assignment Amendments, Waiver, and Agreement Complete

- 9.1. **Assignment.** Neither party will assign or transfer any rights or obligations under this Agreement without prior written approval of the other party.
- 9.2. **Amendments.** Any amendments/supplements to this Agreement must be in writing and be executed by the same parties who executed the original Agreement, or their successors in office.
- 9.3. **Waiver.** If MnDOT fails to enforce any provision of this Agreement, that failure does not waive the provision or MnDOT's right to subsequently enforce it.
- 9.4. **Agreement Complete.** This Agreement contains all negotiations and agreements between MnDOT and the Local Government. No other understanding regarding this Agreement, whether written or oral, may be used to bind either party.
- 9.5. **Severability.** If any provision of this Agreement or the application thereof is found to be invalid or unenforceable to any extent, the remainder of the Agreement, including all material provisions and the application of such provisions, will not be affected and will be enforceable to the greatest extent permitted by the law.
- 9.6. **Electronic Records and Signatures.** The parties agree to contract by electronic means. This includes using electronic signatures and converting original documents to electronic records.
- 9.7. **Certification.** By signing this Agreement, the Local Government certifies that it is not suspended or debarred from receiving federal or state awards.

## 10. Liability and Claims

- 10.1. **Tort Liability.** Each party is responsible for its own acts and omissions and the results thereof to the extent authorized by law and will not be responsible for the acts and omissions of any others and the results thereof. The Minnesota Tort Claims Act, Minnesota Statutes Section 3.736, governs MnDOT liability.
- 10.2. **Claims.** The Local Government acknowledges that MnDOT is acting only as the Local Government's agent for acceptance and disbursement of federal funds, and not as a principal or co-principal with respect to the

Project. The Local Government will pay any and all lawful claims arising out of or incidental to the Project including, without limitation, claims related to contractor selection (including the solicitation, evaluation, and acceptance or rejection of bids or proposals), acts or omissions in performing the Project work, and any *ultra vires* acts. To the extent permitted by law, the Local Government will indemnify, defend (to the extent permitted by the Minnesota Attorney General), and hold MnDOT harmless from any claims or costs arising out of or incidental to the Project, including reasonable attorney fees incurred by MnDOT. The Local Government's indemnification obligation extends to any actions related to the certification of DBE participation, even if such actions are recommended by MnDOT.

## 11. Audits

- 11.1. Under Minn. Stat. § 16C.05, Subd.5, the books, records, documents, and accounting procedures and practices of the Local Government, or any other party relevant to this Agreement or transaction, are subject to examination by MnDOT and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this Agreement, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. The Local Government will take timely and appropriate action on all deficiencies identified by an audit.
- 11.2. The Local Government will comply with the Single Audit Act of 1984(with amendment in 1996) and Office of Management and Budget (OMB)'s 2 CFR 200 Subpart F, including amendments and successors thereto, which are incorporated herein by reference.
- 11.3. All requests for reimbursement are subject to audit, at MnDOT's discretion. The cost principles outlined in 2 CFR 200.400-.476 will be used to determine whether costs are eligible for reimbursement under this Agreement.
- 11.4. If Local Government expends \$750,000 or more in Federal Funds during the Local Government's fiscal year, the Local Government must have a single audit or program specific audit conducted in accordance with 2 CFR Part 200.

**12. Government Data Practices.** The Local Government and MnDOT must comply with the Minnesota Government Data Practices Act, [Minn. Stat. Ch. 13](#), as it applies to all data provided by MnDOT under this Agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Local Government under this Agreement. The civil remedies of [Minn. Stat. §13.08](#) apply to the release of the data referred to in this clause by either the Local Government or MnDOT.

**13. Workers Compensation.** The Local Government certifies that it is in compliance with [Minn. Stat. §176.181](#), Subd. 2, pertaining to workers' compensation insurance coverage. The Local Government's employees and agents will not be considered MnDOT employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way MnDOT's obligation or responsibility.

**14. Governing Law, Jurisdiction, and Venue.** Minnesota law, without regard to its choice-of-law provisions, governs this Agreement. Venue for all legal proceedings out of this Agreement, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

## 15. Termination; Suspension

- 15.1. **Termination by MnDOT or Commissioner of Administration.** MnDOT or Commissioner of Administration may unilaterally terminate this Agreement with or without cause, upon 30 days written notice to the Local Government. Upon termination, the Local Government will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.
- 15.2. **Termination for Cause.** MnDOT may immediately terminate this Agreement if MnDOT finds that there has been a failure to comply with the provisions of this Agreement, that reasonable progress has not been



made, that fraudulent or wasteful activity has occurred, that the Local Government has been convicted of a criminal offense relating to a state agreement, or that the purposes for which the funds were granted have not been or will not be fulfilled. MnDOT may take action to protect the interests of MnDOT of Minnesota, including the refusal to disburse additional funds and requiring the return of all or part of the funds already disbursed.

**15.3. Termination for Insufficient Funding.** MnDOT may immediately terminate this Agreement if:

15.3.1. MnDOT does not obtain funding from the Minnesota Legislature; or

15.3.2. Funding cannot be continued at a level sufficient to allow for the payment of the services covered here. Termination must be by written or fax notice to the Local Government. MnDOT is not obligated to pay for any services that are provided after notice and effective date of termination. However, the Local Government will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed to the extent that funds are available. MnDOT will not be assessed any penalty if the Agreement is terminated because of the decision of the Minnesota Legislature, or other funding source, not to appropriate funds. MnDOT will provide the Local Government notice of the lack of funding within a reasonable time of MnDOT's receiving that notice.

**15.4. Suspension.** MnDOT may immediately suspend this Agreement in the event of a total or partial government shutdown due to the failure to have an approved budget by the legal deadline. Work performed by the Local Government during a period of suspension will be deemed unauthorized and undertaken at risk of non-payment.

- 16. Data Disclosure.** Under [Minn. Stat. § 270C.65](#), Subd. 3, and other applicable law, the Local Government consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to MnDOT, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Local Government to file state tax returns and pay delinquent state tax liabilities, if any.
- 17. Fund Use Prohibited.** The Local Government will not utilize any funds received pursuant to this Agreement to compensate, either directly or indirectly, any contractor, corporation, partnership, or business, however organized, which is disqualified or debarred from entering into or receiving a State contract. This restriction applies regardless of whether the disqualified or debarred party acts in the capacity of a general contractor, a subcontractor, or as an equipment or material supplier. This restriction does not prevent the Local Government from utilizing these funds to pay any party who might be disqualified or debarred after the Local Government's contract award on this Project.
- 18. Discrimination Prohibited by Minnesota Statutes §181.59.** The Local Government will comply with the provisions of Minnesota Statutes §181.59 which requires that every contract for or on behalf of the State of Minnesota, or any county, city, town, township, school, school district or any other district in the state, for materials, supplies or construction will contain provisions by which Contractor agrees: 1) That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no Contractor, material supplier or vendor, will, by reason of race, creed or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates; 2) That no Contractor, material supplier, or vendor, will, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause 1 of this section, or on being hired, prevent or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed or color; 3) That a violation of this section is a misdemeanor; and 4) That this contract may be canceled or terminated by the state of Minnesota, or any county, city, town, township, school, school district or any other person authorized to contracts for employment, and all money due, or to become due under the contract, may be forfeited for a second or any subsequent violation of the terms or conditions of this Agreement.

- 19. Appendix II 2 CFR Part 200.** The Local Government agrees to comply with the following federal requirements as identified in 2 CFR 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and agrees to pass through these requirements to its subcontractors and third party contractors, as applicable. In addition, the Local Government shall have the same meaning as “Contractor” in the federal requirements listed below.
- 19.1.1. Contracts for more than the simplified acquisition threshold, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
  - 19.1.2. All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
  - 19.1.3. Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”
  - 19.1.4. Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland “Anti-Kickback” Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.
  - 19.1.5. Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be

required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

- 19.1.6. Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of “funding agreement” under 37 CFR § 401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- 19.1.7. Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended - Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- 19.1.8. Debarment and Suspension (Executive Orders 12549 and 12689) - A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.
- 19.1.9. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.
- 19.1.10. Local Government will comply with 2 CFR § 200.323.
- 19.1.11. Local Government will comply with 2 CFR § 200.216.
- 19.1.12. Local Government will comply with 2 CFR § 200.322.
- 19.2. **Drug-Free Workplace.** The Local Government will comply with the Drug-Free Workplace requirements under subpart B of 49 C.F.R. Part 32.
- 19.3. **Title VI/Non-discrimination Assurances.** The Local Government hereby agrees that, as a condition of receiving any Federal financial assistance under this Agreement, it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. § 2000d), related nondiscrimination statutes (i.e., 23 U.S.C. § 324, Section 504 of the Rehabilitation Act of 1973 as amended, and the Age Discrimination Act of 1975), and applicable regulatory requirements to the end that no person in the United States shall, on the grounds of race, color, national origin, sex, disability, or age be excluded from participation in, be denied the benefits of, or otherwise be subjected to discrimination under any program or activity for which the Local

Government receives Federal financial assistance.

The Local Government hereby agrees to comply with all applicable US DOT Standard Title VI/Non-Discrimination Assurances contained in DOT Order No. 1050.2A, and in particular Appendices A and E, which can be found at: [https://edocs-public.dot.state.mn.us/edocs\\_public/DMResultSet/download?docId=11149035](https://edocs-public.dot.state.mn.us/edocs_public/DMResultSet/download?docId=11149035). If federal funds are included in any contract, the Local Government will ensure the appendices and solicitation language within the assurances are inserted into contracts as required. State may conduct a review of the Local Government's compliance with this provision. The Local Government must cooperate with State throughout the review process by supplying all requested information and documentation to State, making Local Government staff and officials available for meetings as requested, and correcting any areas of non-compliance as determined by State.

19.4. **Buy America.** The Local Government must comply with the Buy America domestic preferences contained in the Build America, Buy America Act (Sections 70901-52 of the Infrastructure Investment and Jobs Act, Public Law 117-58) and as implemented by US DOT operating agencies.

19.5. **Federal Funding Accountability and Transparency Act (FFATA).**

19.5.1. This Agreement requires the Local Government to provide supplies and/or services that are funded in whole or in part by federal funds that are subject to FFATA. The Local Government is responsible for ensuring that all applicable requirements, including but not limited to those set forth herein, of FFATA are met and that the Local Government provides information to the MnDOT as required.

- a. Reporting of Total Compensation of the Local Government's Executives.
- b. The Local Government shall report the names and total compensation of each of its five most highly compensated executives for the Local Government's preceding completed fiscal year, if in the Local Government's preceding fiscal year it received:
  - i. 80 percent or more of the Local Government's annual gross revenues from Federal procurement contracts and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
  - ii. \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
  - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/excomp.htm>).

Executive means officers, managing partners, or any other employees in management positions.

- c. Total compensation means the cash and noncash dollar value earned by the executive during the Local Government's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):
  - i. Salary and bonus.
  - ii. Awards of stock, stock options, and stock appreciation rights. Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in

accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.

- iii. Earnings for services under non-equity incentive plans. This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.
  - iv. Change in pension value. This is the change in present value of defined benefit and actuarial pension plans.
  - v. Above-market earnings on deferred compensation which is not tax qualified.
- 19.5.2. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.
- 19.5.3. The Local Government must report executive total compensation described above to the MnDOT by the end of the month during which this Agreement is awarded.
- 19.5.4. The Local Government will obtain a Unique Entity Identifier (UEI) number and maintain this number for the term of this Agreement. This number shall be provided to MnDOT on the plan review checklist submitted with the plans for each project.
- 19.5.5. The Local Government's failure to comply with the above requirements is a material breach of this Agreement for which the MnDOT may terminate this Agreement for cause. The MnDOT will not be obligated to pay any outstanding invoice received from the Local Government unless and until the Local Government is in full compliance with the above requirements.

**[THE REMAINDER OF THIS PAGE HAS INTENTIONALLY BEEN LEFT BLANK.]**

**ROSEAU COUNTY**

Roseau County certifies that the appropriate person(s) have executed the contract on behalf of Roseau County Government as required by applicable articles, bylaws, resolutions or ordinances

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**DEPARTMENT OF TRANSPORTATION**

By: \_\_\_\_\_

Title: State Aid Engineer \_\_\_\_\_

Date: \_\_\_\_\_

**COMMISSIONER OF ADMINISTRATION**

By: \_\_\_\_\_

Date: \_\_\_\_\_



# Roseau County Request for Board Action

<b>Agenda Item #: PUBLIC HEARING – AMENDED TIF &amp; TAX ABATEMENT REQUEST - 9:00 am</b> <small>(for office use only)</small>		
<b>Requested Board Date:</b>	March 26, 2024	<b>Originating Department:</b> City of Roseau
<b>Subject Title (as it will appear on the Agenda):</b> Public Hearing – Property Tax Abatement Request	<b>Presenter:</b> Mikaela Huot / Todd Peterson	
	<b>Estimated Amount of Time Needed for Discussion:</b> <input type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input checked="" type="checkbox"/> 15 minutes <input type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes	
<b>Board Action Requested:</b> Requesting the Board hold a Public Hearing to solicit public comment regarding a proposed amendment to the previously approved TIF and Property Tax Abatement for the TenO1 Apartment Project to be constructed in the City of Roseau. <ul style="list-style-type: none"> <li>&gt; Motion/Second to open the hearing;</li> <li>&gt; Overview of the request;</li> <li>&gt; Written comments received to-date?</li> <li>&gt; Oral comments from the public?</li> <li>&gt; Motion/Second to close the hearing;</li> <li>&gt; Board Action, if applicable.</li> </ul>		
<b>Background:</b>		
<b>Supporting Documentation:</b> <input checked="" type="checkbox"/> Attached <input type="checkbox"/> None		
<b>Agenda Classification for County Board Meeting:</b> <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input type="checkbox"/> County Board Items <input checked="" type="checkbox"/> Other – PUBLIC HEARING		

A motion was made by Commissioner XXXX, seconded by Commissioner XXXX, and carried unanimously to adopt the following Resolution:

**2024-03-02**

**RESOLUTION APPROVING THE AMENDMENT TO THE TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 11 AND APPROVING PROPERTY TAX ABATEMENTS**

**WHEREAS**, the Roseau Economic Development Authority (the "EDA") is proposing to construct a 39 unit multi-family residential housing project (the "Project") in the City of Roseau; and

**WHEREAS**, in connection with the Project, it has been proposed that the City of Roseau, Minnesota (the "City") (1) modify the Tax Increment Financing (Economic Development) District No. 11 (the "TIF District"), within Municipal Development District No.1 (the "Development District"); and (2) approve and adopt the proposed Amendment to the Tax Increment Financing Plan under the provisions of Minnesota Statutes, Sections 469.174 to 469.1794, as amended; and

**WHEREAS**, the City has investigated the facts and has caused to be prepared a proposed tax increment financing plan for the TIF District therein (the "TIF Plan"); and

**WHEREAS**, the City has performed all actions required by law to be performed prior to the approval of the establishment of the TIF District and the adoption of the TIF Plan, including, but not limited to, notification of Roseau County and Independent School District No. 682 (Roseau Community Schools) having taxing jurisdiction over the property to be included in the TIF District, and the holding of a public hearing upon published and mailed notice as required by law; and

**WHEREAS**, the County proposes to approve tax abatements in connection with the construction of the Project by the EDA on property currently identified as Parcel Identification Number 54.0303004 and 54.0303005 (the "Tax Abatement Property"). The County proposes to use the abatement for the purposes provided for in Minnesota Statutes, Sections 469.1812 through 469.1816 (the "Abatement Law"), including the Project, from the property taxes to be levied by the County on the Tax Abatement Property; and

**WHEREAS**, the proposed term of the abatement will be for up to fifteen (15) years in an amount not to exceed \$613,279. The proposed abatement will apply to a portion of the County's share of real estate taxes which relate to the construction of the Project on the Tax Abatement Property, and not the real estate taxes on the Tax Abatement Property that relate to the value of the land, as determined by the City (the "Abatement"); and

**WHEREAS**, on the date hereof, the Board of Commissioners 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 thereof; and

**WHEREAS**, the Abatement is authorized under the Abatement Law.

**NOW, THEREFORE BE IT RESOLVED**, by the Board of Commissioners of Roseau County, as follows:

1. Findings for the Abatement. The Board of Commissioners hereby makes the following findings:





**Amendment to the Tax Increment  
Financing Plan**

**for**

**Tax Increment Financing (Economic  
Development) District No. 11**

**within**

**Municipal Development District No. 1**

**(Ten01 Housing Apartment Project)**

**City of Roseau, Minnesota**

Prepared by

Baker Tilly Municipal Advisors, LLC

Original Public Hearing and Approval Date: August 17, 2023

Draft Amendment Dated: March 1, 2024

Scheduled Public Hearing for Amendment: April 1, 2024  
Anticipated Approval of Amendment by City Council: April 1, 2024

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**ESTABLISHMENT OF THE TAX INCREMENT FINANCING PLAN  
FOR TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 11**

**Section A Definitions**

The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"City" means the City of Roseau, Minnesota; also referred to as a "Municipality".

"City Council" means the City Council of the City.

"County" means Roseau County, Minnesota.

"Development District" means Municipal Development District No. 1 in the City, which is described in the corresponding Development Program.

"Development Program" means the Development Program for the Development District.

"Project Area" means the geographic area of the Development District.

"School District" means Independent School District No. 682, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1794, both inclusive.

"TIF District" means Tax Increment Financing (Economic Development) District No. 11.

"TIF Plan" means the tax increment financing plan for the TIF District (this document).

**Section B Statutory Authorization**

See Subsection 1-2 of the Development Program for the Development District.

**Section C Statement of Need and Public Purpose**

See Subsection 1-3 of the Development Program for the Development District.

**Section D Statement of Objectives**

See Subsection 1-4 of the Development Program for the Development District.

**Section E Designation of Tax Increment Financing District as an  
Economic Development District**

Economic development districts are a type of tax increment financing district which consist of any project, or portions of a project, which the City finds to be in the public interest because:

- (1) it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality;
- (2) it will result in increased employment in the state; or
- (3) it will result in preservation and enhancement of the tax base of the state; or
- (4) it satisfies the requirements of a workforce housing project as defined below.

A project qualifies as a workforce housing project if:

(1) increments from the district are used exclusively to assist in the acquisition of property; construction of improvements; and provision of loans or subsidies, grants, interest rate subsidies, public infrastructure, and related financing costs for rental housing developments in the municipality;

(2) the governing body of the municipality made the findings for the project required by section 469.175, subdivision 3, paragraph (f); and

(3) the governing bodies of the county and the school district, following receipt, review, and discussion of the materials required by section 469.175, subdivision 2, for the tax increment financing district, have each approved the tax increment financing plan, by resolution.

The TIF District qualifies as an economic development district in that the proposed development described in this TIF Plan (see Section I) meets the criteria listed above in (4). Without establishment of the TIF District, the proposed workforce housing development would not occur within the City. The proposed development will also result in increased housing opportunities and support employment and enhancement of the tax base in both the City and the State.

Tax increments from an economic development district must be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or other assistance in which at least 85% of the square footage of the facilities to be constructed are used for any of the following purposes:

- (1) manufacturing, production, or processing of tangible personal property;
- (2) warehousing, storage and distribution of tangible personal property, excluding retail sales;
- (3) research and development related to the activities listed in (1) or (2) above;
- (4) telemarketing if that activity is the exclusive use of the property;
- (5) tourism facilities (see M.S. Section 469.174, Subd. 22);
- (6) space necessary for and related to the activities listed in (1) through (5) above;
- (7) a workforce housing project that satisfies the requirements under Minnesota Statutes, Section 469.176, subdivision 4c, paragraph (d).

Tax increments from the TIF District will be used to provide financial assistance to the proposed development (see Section I) as related to the construction of a workforce housing project, that meets the definition as required.

## **Section F      Duration of the TIF District**

Economic development districts may remain in existence 8 years from the date of receipt by the City of the first tax increment. The City anticipates that the TIF District will remain in existence for the maximum

duration allowed by law (projected to be through the year 2034, due to anticipated receipt of first increment in 2026). Modifications of this plan (see Section AA) shall not extend these limitations.

**Section G Property to be Included in the TIF District**

The TIF District is an area of land comprising of the parcels listed below that is located within the Project Area. A map showing the boundaries of the TIF District is shown in Exhibit I.

<u>Parcel ID Number</u>	<u>Legal Description</u>
54.0303004	Lot 4 BLK 1; Oakcrest West Subdivision
54.0303005	Lot 5 BLK 1; Oakcrest West Subdivision

The area encompassed by the TIF District shall also include all street or utility right-of-ways located upon or adjacent to the property described above.

**Section H Property to be Acquired in the TIF District**

The City may acquire and sell any or all of the property located within the TIF District. It will not be acquiring any property at this time and will be selling the property to facilitate development.

**Section I Specific Development Expected to Occur Within the TIF District**

The proposed project is anticipated to include the construction of an approximate 47-unit multifamily workforce housing development. Tax increment is a financing tool the City is planning to use for financing of a portion of the eligible costs associated with construction of the project and as a match for grant assistance. The square footage of the completed building will comply with the requirements of an economic development district in which the project will be with a qualifying purpose (workforce housing project).

It is anticipated that the City will use the tax increment to finance a portion of the site development, infrastructure, public improvement and other related costs that are necessary for this project to proceed. In addition, the city may use tax increment for related administrative expenses, and any other eligible expenditures associated with development of the site that may include additional necessary public improvements.

Construction of the project is expected to commence in 2024 and be 50% assessed and on the tax rolls as of January 2, 2025, for taxes payable in 2026. 100% construction to be completed in 2025, assessed 2026 for taxes payable in 2027.

At the time this document was prepared there were no signed construction contracts with regard to the above-described development.

**Section J Findings and Need for Tax Increment Financing**

In establishing the TIF District, the City makes the following findings:

- (1) The TIF District qualifies as an economic development district;

See Section E of this document for the reasons and facts supporting this finding.

- (2) The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the TIF Plan.

**Factual basis:**

*Proposed development not expected to occur:*

The proposed development consists of the construction of an approximate 47-unit workforce multifamily housing project. The Developer has requested financial assistance to finance a portion of the site development, infrastructure, public improvement and construction costs associated with development of the site and construction of the project. The Developer has provided supplemental financial information demonstrating that the development of this site would not occur without the assistance provided in this TIF Plan.

Therefore, the City has determined that the proposed development would not occur but for the financial assistance provided in this TIF Plan because of the increased costs related to development within the TIF District and construction of the project. The cost of construction of the project and availability of revenues to support repayment of debt has created a financial gap that requires a level of public assistance.

*No higher market value expected:*

The project to be constructed within TIF District No. 11 requires significant investment to be financially feasible. To commence construction of the new housing project, assistance with financing a portion of those costs will be necessary. The financial assistance provided under this TIF Plan will help offset the costs of the improvements. Given the nature of this project, there is no reasonable expectation of any development occurring that would generate as much market value increase as is estimated to be generated by the proposed development by the new business. Therefore, the City has concluded that substantial development at this particular site--and hence any significant increase in market value--is not reasonably expected to occur unless the City provides tax increment assistance as described in this Tax Increment Plan.

To summarize the basis for the City's findings regarding alternative market value, in accordance with Minnesota Statutes, Section 469.175, Subd. 3(d), the City makes the following determinations:

- a. The City's estimate of the amount by which the market value of the site will increase without the use of tax increment financing is \$0 (for the reasons described above), except some unknown amount of appreciation.
- b. If the proposed development to be assisted with tax increment occurs in the District, the total increase in market value would be approximately ~~\$4,414,909~~ \$5,318,405, including the value of the building (See Exhibit II).
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be ~~\$459,926~~ \$554,228 (See Exhibit V).
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than ~~\$3,954,983~~ \$4,764,177 (the amount in clause b less the amount in clause c) without tax increment assistance.

- (3) The TIF Plan will afford maximum opportunity, consistent with the sound needs of the City as a whole, for development of the Project Area by private enterprise.

**Factual basis:** The proposed development is the construction of a new workforce multifamily housing building in the Project Area that is expected to create new affordable housing opportunities in the City and State, plus create new tax base for the City and the state. The development meets the City's community development goals in terms of land use, housing opportunities, tax base and employment opportunities.

- (4) The TIF Plan conforms to general plans for development of the City as a whole.

**Factual basis:** The City Council has determined that the development proposed in the TIF Plan conforms to the City comprehensive plan.

(5) Pursuant to Minnesota Statutes, Section 469.175, Subd. 3 (f), the TF District will be used to fund a workforce housing project under Minnesota Statutes, Section 469.176, Subd. 4c, paragraph (d), and the City shall make the following findings and set forth in writing the reasons and supporting facts for each determination:

- a. The City is located outside of the metropolitan area, as defined in Minnesota Statutes, Section 473.121, Subd. 2;
- b. The average vacancy rate for rental housing located in the City and in any statutory or home rule charter city located within 15 miles or less of the boundaries of the City has been three percent or less for at least the immediately preceding two-year period;
- c. At least one business located in the City or within 15 miles of the City that employs a minimum of 20 full-time equivalent employees in aggregate has provided a written statement to the City indicating that the lack of available rental housing has impeded the ability of the business to recruit and hire employees; and
- d. The City intends to use increments from the TIF District for the development of rental housing to serve employees of businesses located in the City or surrounding area.

**Factual basis:** The City Council has determined that the project will qualify as a workforce housing project and will use the increment exclusively to assist in acquisition of the property and construction of the improvements, has made the necessary findings and received approval from the county and school district. As required by law to make this finding, the City has received letters from existing businesses identifying the need for workforce housing, has collected data documenting vacancy rates at less than 1% for market rate workforce housing units in Roseau and updated housing vacancy analysis documenting less than 3% vacancy rates for workforce housing. An updated vacancy analysis from Maxfield Research & Consulting identified vacancy rates of less than 1% in the city of Roseau for 2023, 1% for the city of Warroad and 2.1% for the city of Badger. All less than 3% as required by statute for qualification as a workforce housing project. Additional supporting documentation is included in Exhibit VI.



**Section K Estimated Public Costs**

The estimated public costs of the TIF District are listed below. Such costs are eligible for reimbursement from tax increments of the TIF District.

Estimated Public Costs	Original TIF Plan Approval Date (August 7, 2023)	TIF Plan Amendment Date (April 1, 2024)
Land/Building acquisition		
Site Improvements/Preparation costs		
Utilities		
Other public improvements		
Construction of affordable housing	\$553,261	\$666,676
Administrative expenses	\$61,474	\$74,077
<b>Total Estimated Public Costs</b>	<b>\$614,735</b>	<b>\$740,753</b>
Interest expenses	0	0
<b>Total Costs</b>	<b>\$614,735</b>	<b>\$740,753</b>

The City reserves the right to administratively adjust the amount of any of the items listed above or to incorporate additional eligible items, so long as the total estimated public costs (~~\$614,735~~ \$740,753) do not increase. The City also reserves the right to fund any of the identified costs with any other legally available revenues, such as grants and/or loans, but anticipates that such costs will be primarily financed with tax increments.

**Section L Estimated Sources of Revenue**

Estimated Sources of Revenue	Estimated Amount (8.7.2023)	Estimated Amount (4.1.2024)
Tax Increment revenue	\$614,735	\$740,753
Interest on invested funds		
<b>Total</b>	<b>\$614,735</b>	<b>\$740,753</b>

The City anticipates providing financial assistance to the proposed development through pay-as-you-go financing. As revenues are collected from the TIF District in future years, a portion will be retained by the City for administrative and other expenses and the remaining funds will be provided as reimbursement to the Developer for certain identified costs as necessary within the TIF District to assist with financing the public costs incurred (see Section K).

The City reserves the right to finance any or all public costs of the TIF District using pay-as-you-go assistance, internal funding, general obligation or revenue debt, or any other financing mechanism authorized by law. The City also reserves the right to use other sources of revenue legally applicable to the Project Area to pay for such costs including, but not limited to, special assessments, utility revenues, federal or state funds, and investment income. The projected tax increment report is included as Exhibit III.

**Section M Estimated Amount of Bonded Indebtedness**

The maximum principal amount of bonds (as defined in the TIF Act) secured in whole or part with tax increment from the TIF District is ~~\$644,735~~ \$740,753. The City currently plans to finance the public costs through pay-as-you-go financing. The City reserves the right to issue an interfund loan or issue bonds in any form, including without limitation any interfund loan with interest not to exceed the maximum permitted under Section 469.178, subd. 7 of the TIF Act.

**Section N Original Net Tax Capacity**

The County Auditor shall certify the original net tax capacity of the TIF District. This value will be equal to the total net tax capacity of all property in the TIF District as certified by the State Commissioner of Revenue. For districts certified between January 1 and June 30, inclusive, this value is based on the previous assessment year. For districts certified between July 1 and December 31, inclusive, this value is based on the current assessment year.

The Estimated Market Value of all property within the TIF District as of January 2, 2022, for taxes payable in 2023, is \$41,600. Upon establishment of the TIF District, it is estimated that the original net tax capacity of the TIF District will be \$520, upon classification as residential rental.

Each year the County Auditor shall certify the amount that the original net tax capacity has increased or decreased as a result of:

- (1) changes in the tax-exempt status of property;
- (2) reductions or enlargements of the geographic area of the TIF District;
- (3) changes due to stipulation agreements or abatements; or
- (4) changes in property classification rates.

**Section O Original Tax Capacity Rate**

The County Auditor shall also certify the original tax capacity rate of the TIF District. This rate shall be the sum of all local tax rates that apply to property in the TIF District. This rate shall be for the same taxes payable year as the original net tax capacity.

In future years, the amount of tax increment generated by the TIF District will be calculated using the lesser of (a) the sum of the current local tax rates at that time or (b) the original tax capacity rate of the TIF District.

It is anticipated the request for certification of the District will occur after June 30, 2024, and the local tax rates for taxes levied in 2023 and payable in 2024 will apply. The payable 2024 rates are not available at the time of drafting of the TIF Plan. For purposes of estimating the tax increment generated by the TIF District, the sum of the local tax rates for taxes levied in 2022 and payable in 2023 of 146.753% have been used and are shown below:

<u>Taxing Jurisdiction</u>	<u>2022/2023 Local Tax Rate</u>
City of Roseau	53.719%
Roseau County	48.799%
ISD 682	40.666%
Other	<u>3.569%</u>
 Total	 146.753%

**Section P      Projected Retained Captured Net Tax Capacity and  
Projected Tax Increment**

The City anticipates that the building construction will be completed by December 31, 2025, creating a total tax capacity for TIF District No. 11 of ~~\$45,294~~ \$54,477 as of January 2, 2026. The captured tax capacity as of that date is estimated to be ~~\$44,774~~ \$53,957 and the first full year of tax increment is estimated to be ~~\$65,708~~ \$79,184 payable in 2027. A complete schedule of estimated tax increment from the TIF District is shown in Exhibit III.

The estimates shown in this TIF Plan assume that rental class rates remain at 1.25% and assume 3% annual increase in market values.

Each year the County Auditor shall determine the current net tax capacity of all property in the TIF District. To the extent that this total exceeds the original net tax capacity, the difference shall be known as the captured net tax capacity of the TIF District.

The County Auditor shall certify to the City the amount of captured net tax capacity each year. The City may choose to retain any or all of this amount. It is the City's intention to retain 100% of the captured net tax capacity of the TIF District. Such amount shall be known as the retained captured net tax capacity of the TIF District.

Exhibit II gives a listing of the various information and assumptions used in preparing a number of the exhibits contained in this TIF Plan, including Exhibit III which shows the projected tax increment generated over the anticipated life of the TIF District.

**Section Q      Use of Tax Increment**

Each year the County Treasurer shall deduct 0.36% of the annual tax increment generated by the TIF District and pay such amount to the State's General Fund. Such amounts will be appropriated to the State Auditor for the cost of financial reporting and auditing of tax increment financing information throughout the state. Exhibit III shows the projected deduction for this purpose over the anticipated life of the TIF District.

The City has determined that it will use 100% of the remaining tax increment generated by the TIF District for any of the following purposes:

- (1) pay for the estimated public costs of the TIF District (see Section K) and County administrative costs associated with the TIF District (see Section T);
- (2) pay principal and interest on tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;

- (3) accumulate a reserve securing the payment of tax increment bonds or other bonds issued to finance the estimated public costs of the TIF District;
- (4) pay all or a portion of the county road costs as may be required by the County Board under M.S. Section 469.175, Subdivision 1a; or
- (5) return excess tax increments to the County Auditor for redistribution to the City, County and School District.

Tax increments from property located in one county must be expended for the direct and primary benefit of a project located within that county, unless both county boards involved waive this requirement. Tax increments shall not be used to circumvent levy limitations applicable to the City.

Tax increment shall not be used to finance the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the State or federal government, or for a commons area used as a public park, or a facility used for social, recreational, or conference purposes. This prohibition does not apply to the construction or renovation of a parking structure or of a privately-owned facility for conference purposes.

If there exists any type of agreement or arrangement providing for the developer, or other beneficiary of assistance, to repay all or a portion of the assistance that was paid or financed with tax increments, such payments shall be subject to all of the restrictions imposed on the use of tax increments. Assistance includes sale of property at less than the cost of acquisition or fair market value, grants, ground or other leases at less than fair market rent, interest rate subsidies, utility service connections, roads, or other similar assistance that would otherwise be paid for by the developer or beneficiary.

#### **Section R Excess Tax Increment**

In any year in which the tax increments from the TIF District exceed the amount necessary to pay the estimated public costs authorized by the TIF Plan, the City shall use the excess tax increments to:

- (1) prepay any outstanding tax increment bonds;
- (2) discharge the pledge of tax increments thereof;
- (3) pay amounts into an escrow account dedicated to the payment of the tax increment bonds; or
- (4) return excess tax increments to the County Auditor for redistribution to the City, County and School District. The County Auditor must report to the Commissioner of Education the amount of any excess tax increment redistributed to the School District within 30 days of such redistribution.

#### **Section S Tax Increment Pooling and the Five-Year Rule**

At least 80% of the tax increments from the TIF District must be expended on activities within the district or to pay for bonds used to finance the estimated public costs of the TIF District (see Section E for additional restrictions). No more than 20% of the tax increments may be spent on costs outside of the TIF District but within the boundaries of the Project Area, except to pay debt service on credit enhanced bonds. All administrative expenses are considered to have been spent outside of the TIF District. Tax increments are considered to have been spent within the TIF District if such amounts are:

- (1) actually paid to a third party for activities performed within the TIF District within five years after certification of the district;
- (2) used to pay bonds that were issued and sold to a third party, the proceeds of which are reasonably expected on the date of issuance to be spent within the later of the five-year period or a reasonable temporary period or are deposited in a reasonably required reserve or replacement fund.
- (3) used to make payments or reimbursements to a third party under binding contracts for activities performed within the TIF District, which were entered into within five years after certification of the district; or
- (4) used to reimburse a party for payment of eligible costs (including interest) incurred within five years from certification of the district.

Beginning with the sixth year following certification of the TIF District, at least 80% of the tax increments must be used to pay outstanding bonds or make contractual payments obligated within the first five years. When outstanding bonds have been defeased and sufficient money has been set aside to pay for such contractual obligations, the TIF District must be decertified.

The City anticipates that a portion of tax increments may be spent outside of the TIF District (including allowable administrative expenses); and the City reserves the right to allow for tax increment pooling from the TIF District in the future.

#### **Section T      Limitation on Administrative Expenses**

Administrative expenses are defined as all costs of the City other than:

- (1) amounts paid for the purchase of land;
- (2) amounts paid for materials and services, including architectural and engineering services directly connected with the physical development of the real property in the project;
- (3) relocation benefits paid to, or services provided for, persons residing or businesses located in the project;
- (4) amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178; or
- (5) amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clause (1) to (3).

Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants, planning or economic development consultants, and actual costs incurred by the County in administering the TIF District. Tax increments may be used to pay administrative expenses of the TIF District up to the lesser of (a) 10% of the total tax increment expenditures authorized by the TIF Plan or (b) 10% of the total tax increments received by the TIF District.

#### **Section U      Limitation on Property Not Subject to Improvements - Four Year Rule**

If after four years from certification of the TIF District no demolition, rehabilitation, renovation of property or other site preparation, including qualified improvement of an adjacent street, has commenced on a parcel located within the TIF District, then that parcel shall be excluded from the TIF District, and the

original net tax capacity shall be adjusted accordingly. Qualified improvements of a street are limited to construction or opening of a new street, relocation of a street, or substantial reconstruction or rebuilding of an existing street. The City must submit to the County Auditor, by February 1 of the fifth year, evidence that the required activity has taken place for each parcel in the TIF District.

If a parcel is excluded from the TIF District and the City or owner of the parcel subsequently commences any of the above activities, the City shall certify to the County Auditor that such activity has commenced, and the parcel shall once again be included in the TIF District. The County Auditor shall certify the net tax capacity of the parcel, as most recently certified by the Commissioner of Revenue, and add such amount to the original net tax capacity of the TIF District.

## **Section V Estimated Impact on Other Taxing Jurisdictions**

Exhibit IV shows the estimated impact on other taxing jurisdictions if the maximum projected retained captured net tax capacity of the TIF District was hypothetically available to the other taxing jurisdictions. The City believes that there will be no adverse impact on other taxing jurisdictions during the life of the TIF District, since the proposed development would not have occurred without the establishment of the TIF District and the provision of public assistance. A positive impact on other taxing jurisdictions will occur when the TIF District is decertified, and the development therein becomes part of the general tax base.

The fiscal and economic implications of the proposed tax increment financing district, as pursuant to Minnesota Statutes, Section 469.175, Subdivision 2, are listed below.

1. The total amount of tax increment that will be generated over the life of the district is estimated to be ~~\$646,958~~-\$743,430.
2. To the extent the facility in the proposed TIF District generates any public cost impacts on city-provided services such as police and fire protection, public infrastructure, and borrowing costs attributable to the district, such costs will be levied upon the taxable net tax capacity of the City, excluding that portion captured by the District. The City does not anticipate issuing tax increment revenue bonds in conjunction with this project but reserves the right to issue bonds as necessary to facilitate development.
3. The amount of tax increments over the life of the district that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is estimated to be ~~\$170,962~~-\$206,008.
4. The amount of tax increments over the life of the district that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same is estimated to be ~~\$205,154~~-\$247,209.
5. No additional information has been requested by the county or school district that would enable it to determine additional costs that will accrue to it due to the development proposed for the district.

## **Section W Prior Planned Improvements**

The City shall accompany its request for certification to the County Auditor (or notice of district enlargement), with a listing of all properties within the TIF District for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan. The County Auditor shall increase the original net tax capacity of the TIF District by the net tax capacity of each improvement for which a building permit was issued.

There have been no building permits issued in the last 18 months in conjunction with any of the properties within the TIF District.

**Section X      Development Agreements**

If within a project containing an economic development district, more than 10% of the acreage of the property to be acquired by the City is purchased with tax increment bonds proceeds (to which tax increment from the property is pledged), then prior to such acquisition, the City must enter into an agreement for the development of the property. Such agreement must provide recourse for the City should the development not be completed.

The City anticipates entering into an agreement with the Developer relating to the project but does not anticipate acquiring any property located within the TIF District.

**Section Y      Assessment Agreements**

The City may, upon entering into a development agreement, also enter into an assessment agreement with the developer, which establishes a minimum market value of the land and improvements for each year during the life of the TIF District.

The assessment agreement shall be presented to the County or City Assessor who shall review the plans and specifications for the improvements to be constructed, review the market value previously assigned to the land, and so long as the minimum market value contained in the assessment agreement appears to be an accurate estimate, shall certify the assessment agreement as reasonable. The assessment agreement shall be filed for record in the office of the County Recorder of each county where the property is located. Any modification or premature termination of this agreement must first be approved by the City, County and School District.

The City does not anticipate entering into an assessment agreement.

**Section Z      Modifications of the Tax Increment Financing Plan**

Any reduction or enlargement in the geographic area of the Project Area or the TIF District; increase in the amount of bonded indebtedness to be incurred; determination to capitalize interest on the debt if it was not part of original plan; increase in that portion of the captured net tax capacity to be retained by the City; increase in the total estimated public costs; or designation of additional property to be acquired by the City shall be approved only after satisfying all the necessary requirements for approval of the original TIF Plan. This paragraph does not apply if:

- (1) the only modification is elimination of parcels from the TIF District; and
- (2) the current net tax capacity of the parcels eliminated equals or exceeds the net tax capacity of those parcels in the TIF District's original net tax capacity, or the City agrees that the TIF District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcels eliminated.

The City must notify the County Auditor of any modification that reduces or enlarges the geographic area of the TIF District. The geographic area of the TIF District may be reduced but not enlarged after five years following the date of certification.

**Section AA Administration of the Tax Increment Financing Plan**

Upon adoption of the TIF Plan, the City shall submit a copy of such plan to the Minnesota Department of Revenue. The City shall also request that the County Auditor certify the original net tax capacity and net tax capacity rate of the TIF District. To assist the County Auditor in this process, the City shall submit copies of the TIF Plan, the resolution establishing the TIF District and adopting the TIF Plan, and a listing of any prior planned improvements. The City shall also send the County Assessor any assessment agreement establishing the minimum market value of land and improvements in the TIF District and shall request that the County Assessor review and certify this assessment agreement as reasonable.

The County shall distribute to the City the amount of tax increment as it becomes available. The amount of tax increment in any year represents the applicable property taxes generated by the retained captured net tax capacity of the TIF District. The amount of tax increment may change due to development anticipated by the TIF Plan, other development, inflation of property values, or changes in property classification rates or formulas. In administering and implementing the TIF Plan, the following actions should occur on an annual basis:

- (1) prior to July 1, the City shall notify the County Assessor of any new development that has occurred in the TIF District during the past year to ensure that the new value will be recorded in a timely manner.
- (2) if the County Auditor receives the request for certification of a new TIF District, or for modification of an existing TIF District, before July 1, the request shall be recognized in determining local tax rates for the current and subsequent levy years. Requests received on or after July 1 shall be used to determine local tax rates in subsequent years.
- (3) each year the County Auditor shall certify the amount of the original net tax capacity of the TIF District. The amount certified shall reflect any changes that occur as a result of the following:
  - (a) the value of property that changes from tax-exempt to taxable shall be added to the original net tax capacity of the TIF District. The reverse shall also apply;
  - (b) the original net tax capacity may be modified by any approved enlargement or reduction of the TIF District;
  - (c) if laws governing the classification of real property cause changes to the percentage of estimated market value to be applied for property tax purposes, then the resulting increase or decrease in net tax capacity shall be applied proportionately to the original net tax capacity and the retained captured net tax capacity of the TIF District.

The County Auditor shall notify the City of all changes made to the original net tax capacity of the TIF District.

**Section AB Filing TIF Plan, Financial Reporting and Disclosure Requirements**

The City will file the TIF Plan, and any subsequent amendments thereto, with the Commissioner of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes, Section 469.175, subdivision 4A. The City will comply with all reporting requirements for the TIF District under Minnesota Statutes, Section 469.175, subdivisions 5 and 6.



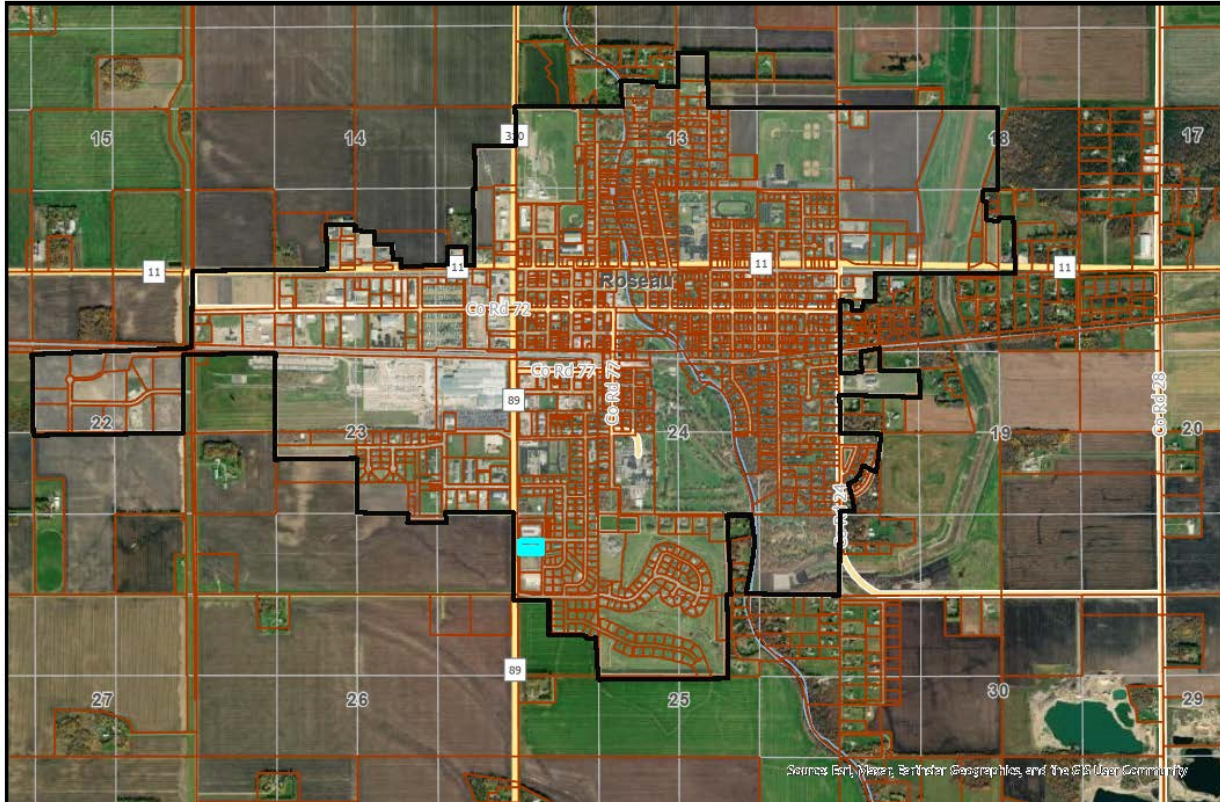
### Map of Tax Increment Financing (Economic Development) District No. 11



<p>These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.</p>	<h3>Apartment TIF</h3>	
	Date: 6/7/2023	City of Roseau

Map of  
Tax Increment Financing (Economic Development) District No. 11

within  
Development District No. 1



These data are provided on an "AS-IS" basis, without warranty of any type, expressed or implied, including but not limited to any warranty as to their performance, merchantability, or fitness for any particular purpose.

TIF District #11 - Ten01 Apartments

Date: 7/13/2023

City of Roseau



**Assumptions Report**

**City of Roseau, Minnesota**

**Amendment to the Tax Increment Financing (Economic Development) District No. 11**

**Proposed Workforce Housing Project - Ten01**

**TIF Plan Exhibits: based on 39 units with taxable value of \$4.2M**

Type of Tax Increment Financing District Economic Development  
 Maximum Duration of TIF District 8 years from 1st increment

Projected Certification Request Date 12/30/24  
 Decertification Date 12/31/34 (9 Years of Increment)

2024/2025

Base Estimated Market Value \$41,600  
 Parcel IDs 54.0303004  
 54.0303005  
 Original Net Tax Capacity \$520

	Assessment/Collection Year			
	2024/2025	2025/2026	2026/2027	2027/2028
Base Estimated Market Value	\$41,600	\$41,600	\$41,600	\$41,600
Estimated Increase in Value - New Construction	0	2,105,284	4,316,575	4,447,320
Total Estimated Market Value	41,600	2,146,884	4,358,175	4,488,920
Total Net Tax Capacity	\$520	\$26,836	\$54,477	\$56,111

City of Roseau 53.719%  
 Roseau County 48.799%  
 ISD 682 40.666%  
 Other 3.569%

Local Tax Capacity Rate 146.753% Payable 2023

Administrative Retainage Percent (maximum = 10%) 10.00%  
 Pooling Percent 0.00%

<u>Bonds</u>		<u>Note (Pay-As-You-Go)</u>	
Bond Dated	NA	Note Dated	02/01/25
Bond Rate	NA	Note Rate	5.00%
Bond Amount	NA	Note Amount	\$0
Project PV Date & Rate	02/01/25 5.00%	PV Amount	\$471,484

**Projected Tax Increment Report**

**City of Roseau, Minnesota**  
**Amendment to the Tax Increment Financing (Economic Development) District No. 11**  
**Proposed Workforce Housing Project - Ten01**  
**TIF Plan Exhibits: based on 39 units with taxable value of \$4.2M**

Annual Period Ending	Total Market Value <sup>(1)</sup>	Total Net Tax Capacity <sup>(2)</sup>	Less: Original Net Tax Capacity <sup>(3)</sup>	Retained Captured Net Tax Capacity	Times: Tax Capacity Rate <sup>(4)</sup>	Annual Gross Tax Increment	Less: State Aud. Deduction 0.360%	Subtotal Net Tax Increment	Less: Admin Retainage 10.00%	Less: Pooling Retainage 0.00%	Annual Net Revenue	P.V. Net Rev. To 02/01/25 5.00%
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
12/31/25	41,600	520	520	0	146.753%	0	0	0	0	0	0	0
12/31/26	2,146,884	26,836	520	26,316	146.753%	38,620	139	38,481	3,848	0	34,633	30,162
12/31/27	4,358,175	54,477	520	53,957	146.753%	79,184	285	78,899	7,890	0	71,009	58,896
12/31/28	4,488,920	56,111	520	55,591	146.753%	81,582	294	81,288	8,129	0	73,159	57,790
12/31/29	4,623,587	57,795	520	57,275	146.753%	84,053	303	83,750	8,375	0	75,375	56,705
12/31/30	4,762,295	59,529	520	59,009	146.753%	86,597	312	86,285	8,629	0	77,656	55,639
12/31/31	4,905,164	61,315	520	60,795	146.753%	89,218	321	88,897	8,890	0	80,007	54,594
12/31/32	5,052,319	63,154	520	62,634	146.753%	91,917	331	91,586	9,159	0	82,427	53,567
12/31/33	5,203,888	65,049	520	64,529	146.753%	94,698	341	94,357	9,436	0	84,921	52,560
12/31/34	5,360,005	67,000	520	66,480	146.753%	97,561	351	97,210	9,721	0	87,489	51,571
						\$743,430	\$2,677	\$740,753	\$74,077	\$0	\$666,676	\$471,484

<sup>(1)</sup> value based on preliminary estimate as provided by the County for a 47-unit multifamily housing project with taxable value of \$4,293,768

<sup>(2)</sup> tax capacity based on rental rate of 1.25%

<sup>(3)</sup> original net tax capacity will be based on existing land and building value rental rate

<sup>(4)</sup> combined local tax capacity rate of City of Roseau, ISD 682, Roseau County for payable 2023

**Estimated Impact on Other Taxing Jurisdictions Report**

**City of Roseau, Minnesota**

**Amendment to the Tax Increment Financing (Economic Development) District No. 11**

**Proposed Workforce Housing Project - Ten01**

**TIF Plan Exhibits: based on 39 units with taxable value of \$4.2M**

Taxing Jurisdiction	Without Project or TIF District		With Project and TIF District					
	2022/2023 Taxable Net Tax Capacity (1)	2022/2023 Local Tax Rate	2022/2023 Taxable Net Tax Capacity (1)	Projected Retained Captured Net Tax Capacity	New Taxable Net Tax Capacity	Hypothetical Adjusted Local Tax Rate (*)	Hypothetical Decrease In Local Tax Rate (*)	Hypothetical Tax Generated by Retained Captured N.T.C. (*)
City of Roseau	2,302,781	53.719%	2,302,781	\$66,480	2,369,261	52.212%	1.507%	34,710
Roseau County	17,863,849	48.799%	17,863,849	66,480	17,930,329	48.618%	0.181%	32,321
ISD 682	7,733,132	40.666%	7,733,132	66,480	7,799,612	40.319%	0.347%	26,804
Other	0	3.569%	0	66,480	66,480	0.000%	3.569%	
<b>Totals</b>		<b>146.753%</b>				<b>141.149%</b>	<b>5.604%</b>	

**\* Statement 1:** If the projected Retained Captured Net Tax Capacity of the TIF District was hypothetically available to each of the taxing jurisdictions above, the result would be a lower local tax rate (see Hypothetical Adjusted Tax Rate above) which would produce the same amount of taxes for each taxing jurisdiction. In such a case, the total local tax rate would decrease by 5.604% (see Hypothetical Decrease in Local Tax Rate above). The hypothetical tax that the Retained Captured Net Tax Capacity of the TIF District would generate is also shown above.

**Statement 2:** Since the projected Retained Captured Net Tax Capacity of the TIF District is not available to the taxing jurisdictions, then there is no impact on taxes levied or local tax rates.

(1) Taxable net tax capacity = total net tax capacity - captured TIF - fiscal disparity contribution, if applicable.

(2) The impact on these taxing jurisdictions is negligible since they represent only 0.00% of the total tax rate.

**Market Value Analysis Report**

**City of Roseau, Minnesota**

**Amendment to the Tax Increment Financing (Economic Development) District No. 11**

**Proposed Workforce Housing Project - Ten01**

**TIF Plan Exhibits: based on 39 units with taxable value of \$4.2M**

<u>Assumptions</u>				
	Present Value Date			12/30/24
	P.V. Rate - Gross T.I.			5.00%
<hr/>				
	Increase in EMV With TIF District			\$5,318,405
	Less: P.V of Gross Tax Increment			554,228
				<hr/>
	Subtotal			\$4,764,177
	Less: Increase in EMV Without TIF			0
				<hr/>
	Difference			\$4,764,177
<hr/>				
		Annual	Present	
		Gross Tax	Value @	
	Year	Increment	5.00%	
	<hr/>	<hr/>	<hr/>	<hr/>
1	2026	38,620		35,455
2	2027	79,184		69,232
3	2028	81,582		67,932
4	2029	84,053		66,657
5	2030	86,597		65,404
6	2031	89,218		64,175
7	2032	91,917		62,968
8	2033	94,698		61,784
9	2034	97,561		60,621
		<hr/>		<hr/>
		\$743,430		\$554,228

Documentation related to the findings of a Workforce Housing TIF District



# Roseau County Request for Board Action

<b>Agenda Item #:</b> County Board Item 1 <small>(for office use only)</small>		
<b>Requested Board Date:</b>	March 26, 2024	<b>Originating Department:</b> Coordinator
<b>Subject Title (as it will appear on the Agenda):</b> Commissioner Committee Reports		<b>Presenter:</b> Commissioners
		<b>Estimated Amount of Time Needed for Discussion:</b> <input type="checkbox"/> < 5 minutes <input type="checkbox"/> 5 minutes <input type="checkbox"/> 10 minutes <input type="checkbox"/> 15 minutes <input checked="" type="checkbox"/> 30 minutes <input type="checkbox"/> >30 minutes
<b>Board Action Requested:</b> Commissioners will present their Committee Reports.		
<b>Background:</b>		
<b>Supporting Documentation:</b> <input checked="" type="checkbox"/> Attached <input type="checkbox"/> None		
<b>Agenda Classification for County Board Meeting:</b> <input type="checkbox"/> Delegations/Board Appointments <input type="checkbox"/> Consent Agenda <input type="checkbox"/> Department Reports <input type="checkbox"/> Committee Reports <input checked="" type="checkbox"/> County Board Items <input type="checkbox"/> Other _____		



## **Glenda Phillipe Committees Report**

- March 12: County Board**
- March 12: Social Services Board**
- March 12: Warroad City Council**
- March 14: Greater MN Parks and Trails**
- March 14: Lake Township Board**
- March 18: AMC Legislative Review**
- March 18: Land of the Dancing Sky Agency on Aging**
- March 19: Special County Board Meeting**
- March 19: GIS Committee**
- March 19: Warroad Community Development Town Hall**
- March 21: Northwest MN Foundation Community Development**
- March 25: Public Health Committee**
- March 25: Warroad City Council**

## **JACK SWANSON COMMITTEES REPORT**

**MARCH 12, 2024 - SOCIAL SERVICES**

**MARCH 12, 2024 - JADIS TOWN BOARD**

**MARCH 13, 2024 - NORTHWEST EMERGENCY COMMUNICATIONS BOARD (TRF)**

**MARCH 14, 2024 - STATEWIDE EMERGENCY COMMUNICATIONS BOARD FINANCE  
COMMITTEE**

**MARCH 14, 2024 - TEAM 'EPIC'**

**MARCH 15, 2024 - NORTHWEST MINNESOTA FOUNDATION BOARD**

**MARCH 18, 2024 - ASSOCIATION OF MINNESOTA COUNTIES LEGISLATIVE UPDATE**

**MARCH 19, 2024 - ROSEAU COUNTY BOARD/ SPECIAL MEETING**

**MARCH 20, 2024 - NORTHWEST MINNESOTA HOUSING AND REDEVELOPMENT  
AUTHORITY (TRF)**

**MARCH 25, 2024 - PUBLIC HEALTH**

**MARCH 25, 2024 - COMMUNITY/SCHOOL PARTNERSHIP**