



JOINT CITY COUNCIL/ RICE COUNTY COMMISSIONERS MEETING MINUTES

COUNCIL CHAMBERS

TUESDAY, JULY 11, 2023

6:05 PM

or Immediately Following the Special City Council Work Session

Call to Order Faribault City Council / Designation of Presiding Officer (Mayor) / Roll Call

The meeting of the City Council was called to order by Mayor Kevin Voracek at 7:02 p.m. Councilors Sara Caron, Adama Doumbouya, Royal Ross, Peter van Sluis, Tom Spooner and Chuck Thiele were in attendance. Also in attendance were City Administrator Tim Murray, City Clerk Heather Slechta, Public Works Director Travis Block, Parks and Recreation Director Paul Peanasky, Community & Economic Development Director David Wanberg, Police Chief John Sherwin, City Engineer Mark DuChene and Library Services Director Delane James.

Call to Order Rice County Commissioners / Roll Call

The Rice County Commissioners called their meeting to order by Chair Steve Underdahl at 7:02 p.m. Commissioners Jim Purfeerst, Gerry Hoisington, and Jeff Docken were in attendance as well as County Administrator Sara Folstad.

The Pledge of Allegiance was recited.

Public Hearings

Proposed Tax Abatement and Business Subsidy for Sage Electrochromics, Inc.

Community and Economic Development David Wanberg stated that the Faribault City Council and Rice County Commissioners held a Special Joint Work Session on May 16, 2023, to discuss options to offer Sage Electrochromics, Inc. a tax abatement package to move Vetrotech Saint-Gobain, a manufacturer of fire-resistant and fire-protective safety glass, from Auburn, Washington to Faribault. The Faribault City Council and Rice County Commissioners expressed interest in providing Sage Electrochromics with ten years of tax abatement based on the tax increase generated by the proposed project. Subsequently, Sage Electrochromics submitted an official request for a tax abatement package.

The proposed project creates the Saint-Gobain North America Building Glass Campus, which includes the existing SageGlass Saint-Gobain facility at 2 Sage Way and the proposed improved facility at 1 Sage Way for Vetrotech Saint-Gobain. The project will net 40 new jobs in Faribault, with an average wage of \$37.94/hour, and include a 10,000-square foot building addition.

Sage Electrochromics is investing over \$7 million in this project. However, they are also asking for a tax abatement package from the City and County to help establish the proposed Saint-Gobain North America Building Glass Campus as a premier location in the Saint-Gobain worldwide family of industries.

Wanberg explained that historically, the City of Faribault and Rice County have used tax

abatement to promote projects resulting in significant industrial expansion and investments. They have generally limited tax abatement to a maximum of ten years and the tax increase generated by the project. The benefiting property pays its full property tax bill, and the City and County provide abatement payments on the tax increase twice a year if the benefiting property meets the conditions of the abatement agreement.

Based on the project's estimated valuation increase, the total estimated cumulative tax abatement from August 1, 2025, through February 1, 2035, is \$103,864.00. The City's share of the proposed abatement over the term is estimated at \$59,243.00, and the County's share of the proposed abatement over the term is estimated at \$44,621.00. The City and County will pay the abatement semi-annually over ten years, with the first payment starting on August 1, 2025.

Motion by Spooner, seconded by Ross to open the public hearing and carried unanimously. The public hearing opened at 7:07 p.m.

The Rice County Commissioners opened their public hearing.

There were no comments from public.

The Rice County Commissioners closed their public hearing.

Motion by van Sluis, seconded by Spooner to close the public hearing and carried unanimously. The public hearing closed at 7:08 p.m.

Motion by Ross, seconded by Spooner to approve Resolution 2023-137 Approve Tax Abatement for Certain Property in the city of Faribault and carried unanimously.

Motion by van Sluis, seconded by Thiele to approve Resolution 2023-138 Approve Contract for Private Development with Sage Electrochromics, Inc. for Certain Property in the city of Faribault and carried unanimously.

The Rice County Commissioners took formal action on the Tax Abatement for Certain Property in the City of Faribault and the Contract for Private Development with Sage Electrochromics, Inc. for Certain Property in the city of Faribault

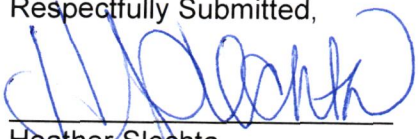
Adjournment

The Rice County Commissioners formally adjourned their meeting.

Motion by Ross, seconded by van Sluis to adjourn the City Council meeting and carried unanimously.

The meeting adjourned at 7:11 p.m.

Respectfully Submitted,


Heather Slechta
City Clerk