

Request for Board Action Details

File #: 2021-543

Type: Administrative Item **Status:** Passed

In control: Board of Commissioners

On agenda: 10/12/2021 **Final action:** 10/12/2021

Title: Termination of Abatement Agreement for the Land O' Lakes Expansion Project

Sponsors: Community & Economic Development

Indexes:

Code sections:

Attachments: 1. Land O' Lakes Termination Notice, 2. Resolution

Date	Ver.	Action By	Action	Result
10/12/2021	1	Board of Commissioners	approved	Pass

Sponsor: Community & Economic Development

Title
Termination of Abatement Agreement for the Land O' Lakes Expansion Project

Recommendation

1. Terminate the property tax abatement agreement for the Land O' Lakes expansion project.
2. Authorize the County Manager to execute necessary documents to finalize the termination.

Background and Rationale

In 2016, Land O' Lakes requested an abatement of new property taxes generated the expansion of its headquarters campus in Arden Hills.

On April 12, 2016, Land O' Lakes, the city of Arden Hills and Ramsey County entered into an abatement agreement for the tax increment on the new Land O'Lakes headquarters. The agreement was later amended on March 28, 2017 due to a numerical error.

Land O' Lakes is now requesting termination of the abatement agreement. Land O' Lakes indicated circumstances have changed for the company and the pandemic in particular had an impact on the level and pace of job creation. Job creation is a required metric for which the company was allowed to seek financial benefits under the abatement agreement. As a result, Land O' Lakes is no longer seeking the past or future benefits of the abatement agreement.

The abatement agreement was approved by Ramsey County Board resolution, then, absent some specific direction, agreement, delegation, or statutory exception, a board resolution is necessary to unwind or dissolve the agreement.

The Arden Hills City Council plans to take up a similar action at their October 25, 2021 meeting.

County Goals (Check those advanced by Action)

- Well-being
 Prosperity
 Opportunity
 Accountability

Racial Equity Impact

There is no direct racial equity impact linked to the dissolution of the abatement agreement.

Community Participation Level and Impact

The community is informed of this action through Ramsey County Board action, which is published on the County's website.

<https://www.ramseycounty.us/your-government/leadership/board-commissioners/board-meetings-information>

Inform Consult Involve Collaborate Empower

Fiscal Impact

With the dissolution of the abatement agreement collected taxes on the new value of the Land O' Lakes headquarters campus expansion by all taxing jurisdictions shall be retained.

The administrative oversight of the abatement was handled by the city of Arden Hills, which collected an up-front fee for legal documentation and other administrative activities. Ramsey County was not required to oversee the annual administrative work associated with the abatement as a result.

County Manager Comments

No additional comments.

Last Previous Action

On April 12, 2016, the County Board approved the property tax abatement resolution and contract for the Land O'Lakes expansion project (Resolution B2016-153).

On April 5, 2016, the County Board held a public hearing on the requested property tax abatement for the Land O'Lakes expansion project.

On March 15, 2016, the County Board voted to call for the public hearing for a tax abatement at the request of Land O'Lakes (Resolution B2016-073).

On January 12, 2016, the County Board approved the Job and Tax Base Financial Incentives Policy (Resolution B2016-018).

Attachments

1. Land O' Lakes Termination Notice