

**I recommend that the school board deny the attached abatement request.** Sherburne County, The City of Becker, and The Becker School District are collaborating in regard to this tax abatement. By denying the request, the term of the abatement for the county and the city may be increased from 15 to 20 years as provided by statute.



**Steven H. Taylor**  
**County Administrator**

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February 20, 2019

Dr. Stephen Malone and  
Members of the Becker School Board  
ISD 726  
12000 Hancock Street  
Becker, MN 55308

Dear Becker School Board Members and Superintendent Malone:

As you know, Xcel Energy intends to close two of the three units at the Sherco Generating Station by 2023 and 2026. This will result in a substantial number of job cuts and an extraordinary loss of tax base for the City, County and the School District. To prepare for this, the City and County have been working with Xcel to create a state-of-the-art business park that will draw new businesses and capital investment into the area. We are pleased to inform you that as a result of these efforts, Google has expressed interest in developing a large data center facility on part of the Xcel property. If it moves forward, the project intends to invest \$300,000,000 in construction costs alone, will create 2,300 construction jobs during a two-year construction phase and will employ 50 people full time when completed with annual salaries totaling 4,000,000. We estimate that the project will have an over \$7,000,000 annual impact on the County's economy after completion. This is an exciting opportunity to kick-off the business park with a Fortune 100 company, while also enabling the City to expand the infrastructure necessary to draw even more businesses to the area, all of which will be necessary if we are to stabilize the area's tax base in the long-term.

As part of the site selection process, and in light of the substantial local investments being made, the project has applied for tax abatement under the County's tax abatement financing program. That program allows the County to abate property taxes when the County determines that the economic benefits of a new or expanding business will outweigh the amount of taxes being abated. In this case, the project has requested that the County abate all of the County property taxes resulting from improvements to the property, for a 20-year period. Typically, the County may not abate taxes for more than 15 years. But under Minn. Stat. § 469.1813, subd. 6(b), the County may ask that other political subdivisions where the property is located also abate their taxes, and if at least one political subdivision declines, the County may increase the abatement period to up to 20 years.

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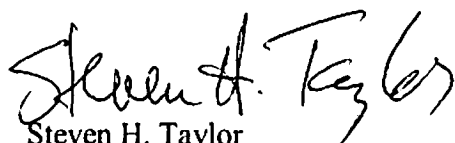
Accordingly, please consider this letter to be Sherburne County's request pursuant to Minn. Stat. § 469.1813, subd. 6(b) that I.S.D. 726 abate its property taxes for the following parcels:

05-202-1201 05-335-2100 05-335-2301 05-335-3100  
05-335-3200 05-335-3205 05-335-3400.

If you agree abate the school portion of the property tax, the County will adjust the abatement request it is considering downward to 15 years. If you decline to abate the school property taxes, we will continue to process the applicant's request for a 20-year abatement.

We respectfully ask that you consider this request at the School Board's next available meeting and that you promptly inform us of your decision in writing, so that we may timely act on the applicant's request. In the meantime, if you have any questions or would like additional information, please contact me at your convenience.

Sincerely,

  
Steven H. Taylor  
Sherburne County Administrator

cc: Greg Pruszinske, Becker City Administrator