

The Aitkin County Board of Commissioners met this 18th day of May, 2010 at 4:02 p.m. with the following members present: Chairperson Paul Bailey, Commissioners Galen “Tweet” Tveit, Laurie Westerlund, J. Mark Wedel, Brian Napstad, County Administrator Patrick Wussow, and Administrative Assistant Sue Bingham.

CALL TO ORDER

Motion by Commissioner Wedel, seconded by Commissioner Tveit and carried, all members voting yes to approve the May 18, 2010 agenda.

**APPROVED
AGENDA**

Motion by Commissioner Napstad, seconded by Commissioner Westerlund and carried, all members voting yes to acknowledge the May 4, 2010 County Board minutes.

**ACKNOWLEDGE
MINUTES**

Motion by Commissioner Wedel, seconded by Commissioner Tveit and carried, all members voting yes to approve the Consent Agenda as follows: A) Correspondence File: May 4, 2010 – May 17, 2010; B) Approve County Board Minutes: April 27, 2010; C) Approve Manual Warrants – General Fund \$82,340.55, Road & Bridge \$655.00, Health & Human Services \$4,819.85, State \$32,510.79, Forest Development \$153.88, Taxes & Penalties \$2,597.56, Long Lake Conservation Center \$1,281.93; D) Approve Memorandum of Agreement between Aitkin County’s Environmental Services Department and Lake County’s Environmental Health Department; E) Approve Equipment Purchase – Road & Bridge; a) Approve Commissioner Warrants – General Fund \$160,420.75, Road & Bridge \$34,604.28, Health & Human Services \$568.02, Trust \$8,553.54, Forest Development \$3,284.99, Long Lake Conservation Center \$2,464.49; b) Approve Resolution for Snowmobile/Ski Trail Funding; c) Approve Resolution for Easement for SCI (Savage Communications Inc.)

**CONSENT
AGENDA**

Under the consent agenda a motion by Commissioner Wedel, seconded by Commissioner Tveit and carried, all members voting yes to approve the purchase of the following equipment for Road & Bridge:

**ROAD & BRIDGE
EQUIPMENT
PURCHASE**

2WD regular cab pickup truck chassis in the amount of \$21,648 and a 4WD crew cab pickup truck chassis in the amount of \$28,493 – both from Aitkin Motors.

Under the consent agenda a motion for a resolution by Commissioner Westerlund, seconded by Commissioner Tveit and carried, all members voting yes to approve the following resolution for Snowmobile/Ski Trail Funding:

WHEREAS, Local units of government can apply for State aide for trail development, maintenance, grooming and administration from the Minnesota Department of Natural Resources at the rate of 65% reimbursement of the cost of trail maintenance and 90% reimbursement of costs of grooming, and

**RESOLUTION
051110-042
SNOWMOBILE /
SKI TRAIL
FUNDING**

WHEREAS, Aitkin County does not have the facilities to maintain the entire trail system in Aitkin County, and

WHEREAS, Snowmobile clubs have maintained these trails in the past, and wish to contract with the County for maintaining trails during the 2010-2011 winter season, and

WHEREAS, these trails benefit the winter recreation, resort, industry, and economy of Aitkin County,

NOW, THEREFORE BE IT RESOLVED, That the Aitkin County Trail Administrator be authorized to apply for Grants in Aide assistance funds for snowmobile trail maintenance and

grooming, and ski trail maintenance and grooming for the following trails.

Aitkin Sno-Drifters Trails
McGrath/Finlayson Trails
Tamarack Trails
Haypoint Trails
Palisade Trails
Mille Lacs Trails
No Achen / LLCC ski trails

BE IT FURTHER RESOLVED, That the Aitkin County Trail Administrator be authorized to contract for the 2010-2011 winter season for the development, maintenance, and grooming of the aforementioned trails with each of the corresponding interested clubs.

Under the consent agenda a motion for a resolution by Commissioner Westerlund, seconded by Commissioner Tveit and carried, all members voting yes to approve the following resolution for Easement for SCI (Savage Communications Inc.):

WHEREAS, SCI (Savage Communications Inc) of 111 Tobies Mill Place PO Box 810 Hinckley, Mn. 55037 has made application for an easement to construct and maintain underground utilities over the following Aitkin County managed lands to wit:

The easement is described as follows:

LEGAL DESCRIPTION – 10 foot underground utility easement over, under and across County property (formerly Soo Line Railroad) in Aitkin County, Minnesota

A perpetual underground utility easement, being 10 feet in width and lying 5 feet on each side of the following described centerline, said centerline is the center of the former Soo Line Railroad grade.

The beginning of said easement is the intersection of the centerline of said former Soo Line Railroad grade with the west right-of-way line of State Highway 65 as the same is now located in Government Lot 1, Section 6, Township 47, Range 23, Aitkin County, Minnesota. Said centerline then runs northwesterly across the following described parcels and terminates at the intersection of the centerline said former Soo Line Railroad with the east right-of-way line of U.S. Highway 169, as the same is located in the Southwest Quarter of the Northwest Quarter of Section 14, Township 50, Range 26 in said Aitkin County.

Said easement is located over, under and across the following described parcels:

Government Lot 1, Government Lot 2
-both in Section 6, Township 47, Range 23

Southwest Quarter of the Southwest Quarter
-in Section 32, Township 48, Range 23

**RESOLUTION
051110-043
SCI EASEMENT**

Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter,
Northwest Quarter of the Southeast Quarter, Southwest Quarter of the Northeast Quarter
Southeast Quarter of the Northwest Quarter, Northeast Quarter of the Northwest Quarter
Government Lot 1, Government Lot 2

-all in Section 31, Township 48, Range 23

Northeast Quarter of the Northeast Quarter

-in Section 36, Township 48, Range 24

Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter
Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter
Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter

-all in Section 25, Township 48, Range 24

Southeast Quarter of the Northeast Quarter, Northeast Quarter of the Northeast Quarter
Northwest Quarter of the Northeast Quarter

-all in Section 26, Township 48, Range 24

Southwest Quarter of the Southeast Quarter, Southeast Quarter of the Southwest Quarter
Northeast Quarter of the Southwest Quarter, Northwest Quarter of the Southwest Quarter
Southwest Quarter of the Northwest Quarter

-all in Section 23, Township 48, Range 24

Southeast Quarter of the Northeast Quarter, Northeast Quarter of the Northeast Quarter
Northwest Quarter of the Northeast Quarter

-all in Section 22, Township 48, Range 24

Southwest Quarter of the Southeast Quarter , Southeast Quarter of the Southwest Quarter
Southwest Quarter of the Southwest Quarter, Government Lot 7, Government Lot 8

-all in Section 15, Township 48, Range 24

Government Lot 3, Government Lot 2, Government Lot 1, Southwest Quarter of the Northeast
Quarter, Northeast Quarter of the Northwest Quarter

-all in Section 16, Township 48, Range 24

Southeast Quarter of the Southwest Quarter, Southwest Quarter of the Southwest Quarter
Northwest Quarter of the Southwest Quarter

-all in Section 9, Township 48, Range 24

Northeast Quarter of the Southeast Quarter, Southeast Quarter of the Northeast Quarter
Southwest Quarter of the Northeast Quarter, Southeast Quarter of the Northwest Quarter
Northeast Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter

-all in Section 8, Township 48, Range 24

Southwest Quarter of the Southwest Quarter

-in Section 5, Township 48, Range 24

Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter
Northwest Quarter of the Southeast Quarter, Southwest Quarter of the Northeast Quarter
Southeast Quarter of the Northwest Quarter, Government Lot 3, Government Lot 4

-all in Section 6, Township 48, Range 24

Government Lot 4

-in Section 31, Township 49, Range 24

Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter
Southwest Quarter of the Southeast Quarter, Northwest Quarter of the Southeast Quarter
Northeast Quarter of the Southwest Quarter, Southeast Quarter of the Northwest Quarter
Southwest Quarter of the Northwest Quarter, Northwest Quarter of the Northwest Quarter

-all in Section 36, Township 49, Range 25

Northeast Quarter of the Northeast Quarter

-in Section 35, Township 49, Range 25

Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter
Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter
Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter
Government Lot 5

-all in Section 26, Township 49, Range 25

Government Lot 2, Government Lot 1

-both in Section 27, Township 49, Range 25

Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter
Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter
Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter
Northwest Quarter of the Northwest Quarter, Government Lot 1, Government Lot 2

-all in Section 22, Township 49, Range 25

Government Lot 2

-in Section 21, Township 49, Range 25

Government Lot 4, Government Lot 2, Northwest Quarter of the Southeast Quarter
Northeast Quarter of the Southwest Quarter, Southeast Quarter of the Northwest Quarter
Southwest Quarter of the Northwest Quarter, Government Lot 1

-all in Section 16, Township 49, Range 25

Northeast Quarter of the Northeast Quarter

-in Section 17, Township 49, Range 25

Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter
Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter
Southeast Quarter of the Northwest Quarter, Southwest Quarter of the Northwest Quarter
Northwest Quarter of the Northwest Quarter

-all in Section 8, Township 49, Range 25

Northeast Quarter of the Northeast Quarter

-in Section 7, Township 49, Range 25

Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter
Northwest Quarter of the Southeast Quarter, Northeast Quarter of the Southwest Quarter

Southeast Quarter of the Northwest Quarter, Government Lot 5, Government Lot 4
-all in Section 6, Township 49, Range 25

Government Lot 1
-in Section 1, Township 49, Range 26

Southeast Quarter of the Southeast Quarter, Northeast Quarter of the Southeast Quarter
Northwest Quarter of the Southeast Quarter, Southwest Quarter of the Northeast Quarter
Northwest Quarter of the Northeast Quarter, Northeast Quarter of the Northwest Quarter
-all in Section 36, Township 49, Range 26

Southeast Quarter of the Southwest Quarter, Northeast Quarter of the Southwest Quarter
Northwest Quarter of the Southwest Quarter, Southwest Quarter of the Northwest Quarter
Northwest Quarter of the Northwest Quarter
-all in Section 25, Township 50, Range 26

Southeast Quarter of the Northeast Quarter, Northeast Quarter of the Northeast Quarter
-both in Section 26, Township 50, Range 26

Southeast Quarter of the Southeast Quarter, Southwest Quarter of the Southeast Quarter
Northeast Quarter of the Southeast Quarter, Northwest Quarter of the Southeast Quarter
Southwest Quarter of the Northeast Quarter, Northwest Quarter of the Northeast Quarter
Southeast Quarter of the Northwest Quarter, Northeast Quarter of the Northwest Quarter
-all in Section 23, Township 50, Range 26

Southeast Quarter of the Southwest Quarter, Southwest Quarter of the Southwest Quarter
Northeast Quarter of the Southwest Quarter, Northwest Quarter of the Southwest Quarter
Southwest Quarter of the Northwest Quarter
-all in Section 14, Township 50, Range 26

The length of said easement (after deleting other public right-of-ways that are crossed by said easement) is approximately 111,830 feet and the net area of said easement is approximately 1,118,300 square feet (25.67 acres), and,

WHEREAS, said applicant will be charged \$41,071.00 for the easement and timber charges as appraised by the County Land Commissioner, and

WHEREAS, the Aitkin County Land Commissioner, after making an investigation of such application, has advised that he finds no objection to granting such permit and easement,

NOW THEREFORE, BE IT RESOLVED, that pursuant to Minnesota Statutes, Section 282.04, Subdivision 4, the County Auditor be and is hereby authorized to issue to SCI (Savage Communications Inc) of 111 Tobies Mill Place PO Box 810 Hinckley, Mn. 55037, a perpetual easement to use said strip of land, if consistent with the law, as in the special conditions set forth herein,

BE IT FURTHER RESOLVED, that said easement be granted, subject to the following terms, and conditions:

1. The communication cable shall be constructed and maintained by the grantee or

permittee without any cost to the County of Aitkin and the land area shall be open for public use, as long as said easement is in force.

2. Any timber cut or destroyed shall be paid for at the usual rate as soon as determined by the Land Commissioner. (Timber within ROW has been included in the easement costs.)
3. Aitkin County manages County owned and tax-forfeited lands to produce direct and indirect revenue for the taxing districts. This management includes the harvesting and extraction of timber, gravel, minerals, and other resources. The issuing and use of this easement shall not adversely affect the management and harvesting of timber and other resources on County owned and tax forfeited land. If for any reason, including township or county road construction or reconstruction, the easement needs to be relocated, the county and township will not be responsible for any relocation costs.
4. Any such easement may be canceled by resolution of the County Board for any substantial breach of its terms or if at any time its continuance will conflict with public use of the land, or any part thereof, on which it is granted, after ninety (90) days written notice, addressed to the record owner of the easement at the last known address.
5. Land affected by this easement may be sold or leased for any legal purpose, but such sale or lease shall be subject to this easement and excepted from the conveyance or lease, while such easement remains in force.
6. Failure to use the right of way described in this document for the purpose for which this easement is granted for a period of five years, shall result in the cancellation of this easement and any rights granted to the grantee by this easement shall cease to exist and shall revert to the grantor.
7. Aitkin County manages the old railroad right of way for many purposes such as a motorized and non-motorized recreation trail, access to county managed and other lands for resource management purposes, including the harvesting of timber, extraction of gravel, peat, fill dirt, etc, and the mining and extraction of minerals. The issuing and use of this easement shall not adversely affect any other Aitkin County authorized uses of this strip of land.
8. During construction and/or laying of the fiber optics line, the lessee shall keep the traveled area of the old railroad grade clear of slash, trees, and dirt mounds. The lessee shall post and sign the area where constructing so that other users of this trail on the old railroad right of way are notified and aware of the construction work.
9. After construction, the lessee shall mark the location of the fiber optics line and shall return the land to the same condition as prior to issuing of the easement.
10. If the County shall make any improvements or changes on all or any part of its property upon which utilities have been placed by this permit, the utility owner shall, after notice from the County, change vacate, or remove from County property said works necessary to conform with said changes without cost whatsoever to the County.

Motion by Commissioner Tveit, seconded by Commissioner Napstad and carried, all members voting yes to approve the emulsified asphalt quote of \$63,513.00 by Midstate Reclamation – to complete the mill/overlay project on CSAH 5 south of Palisade.

resolution by Commissioner Napstad, seconded by Commissioner Tveit and carried (4-1 roll call vote, Wedel) to approve the Tax Abatement Financing for Big Sandy Lodge & Resort.

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

1. Recitals.

- 1.1 Big Sandy Holdings, LLC., Big Sandy Development Inc. and Vector Financial Inc., together, Minnesota corporations (“Developer”) has purchased or is in the process of purchasing the property known as the Big Sandy Lodge, Shamrock Township, Aitkin County, MN and proposes to re-open the Big Sandy Lodge, Restaurant Rental Properties and other pertinent business ventures associated with the operation of the Big Sandy Lodge. Parcels are legally described on Exhibit A attached hereto and incorporated herein (the “Property”).
- 1.2 The Developer proposes to re-open Big Sandy Lodge, make improvements to the existing buildings and related site improvements on the Property. Developer anticipates employing not less than 15 persons and undertake not less than \$600,000 in property improvements within one calendar year of the execution of the corresponding Tax Abatement Deferral Financing Agreement hereinafter the (“Agreement”)
- 1.3 The Developer has requested assistance from the County in the form of tax deferral and abatement of penalties and interest incurred by said deferral by the County as allowed by Minnesota Statutes Section 469.1813 (the “Statute”).
- 1.4 The County’s Economic Development Committee has recommended approval of the Developer’s tax abatement assistance request with certain specified contingencies.

2. Findings.

- 2.1 The Property is not located in a tax increment financing district.
- 2.2 The proposed tax deferral abatement assistance relating to the Property and the Project upon the terms and subject to the conditions and contingencies set forth in this Resolution is in the best interest of the County and meets the criteria for granting such assistance in that:
 - a. The Project will increase or preserve the tax base of the County.
 - b. The Project will provide additional employment opportunities in the County.

**PUBLIC HEARING
TAX ABATEMENT**

**RESOLUTION
051810-045
TAX ABATEMENT
ASSISTANCE –
BIG SANDY
HOLDINGS LLC**

- 2.3 Without the tax deferral abatement assistance recommended for approval hereunder, it is unlikely that the Developer would be able to construct the Project within the reasonably foreseeable future.
- 2.4 The tax deferral abatement assistance provided by the County hereunder does not constitute a Business Subsidy under Minnesota Statutes 116J.993, Subd. 3(1).
- 2.5 The granting of the tax deferral abatement assistance set forth herein will not cause the County to be in violation of the limits set forth in Minnesota Statutes Sections 469.1813, Subd. 8.

3. Resolution.

- 3.1 The County hereby agrees that upon purchase of the property and the opening of Big Sandy Lodge the County will provide the Developer tax abatement assistance in the form of deferring the portion of the property tax attributable to Aitkin County for five (5) years starting with the taxes payable 2010 and to abate penalties and interest caused by said deferral. Starting in year six (6) one-fifth of the deferred property tax will be placed on the property and paid along with the regularly incurred property tax and will continue through year ten (10) at which time all deferred property taxes will be paid in full.
- 3.2 The tax deferral abatement assistance recommended for approval hereunder is contingent upon and subject to the following:
 - If a property is sold before the end of the 5 year deferral period, Developer would pay all current and any deferred taxes in full upon closing.
 - Properties not sold after the 5 years, starting in year 6, would have a payment schedule and would pay the full property tax plus 1/5 of the deferred tax through year 10.
 - If a property is sold during years 6 – 10, Developer would pay all current and any deferred taxes in full upon closing.
 - In any event, all deferred property taxes would be paid in full to the County after the 10 years.
 - School, State, and Township taxes are not deferred by this action.
 - Should the Developer no longer operate the property as a Lodge, Resort and Restaurant facility, the Tax Deferral Abatement Financing Agreement will be null and void with all deferred taxes will be paid in full within 120 days.
 - Should the Developer sell the property the Tax Deferral Abatement Financing Agreement will be null and void with all deferred taxes will be paid in full within 120 days.

EXHIBIT A

LEGAL DESCRIPTION				
Parcel Number	2009 Asmt EMV	2010 Asmt EMV	2010 Payable Taxes	
29-1-521100	132,500.00	60,200.00	892.00	
29-1-521200	129,200.00	60,200.00	868.00	
29-1-521300	132,500.00	60,200.00	892.00	
29-1-521400	132,500.00	60,200.00	892.00	
29-1-521500	129,200.00	60,200.00	868.00	
29-1-521600	132,500.00	60,200.00	892.00	
29-1-522000	131,700.00	60,200.00	886.00	
29-1-522100	128,500.00	60,200.00	862.00	
29-1-522200	131,600.00	60,200.00	886.00	
29-1-522300	247,500.00	165,000.00	1,736.00	
29-1-522400	231,000.00	152,800.00	1,616.00	
29-1-522500	247,500.00	165,000.00	1,736.00	
29-1-522600	119,800.00	44,900.00	798.00	
29-1-522700	117,400.00	44,900.00	782.00	
29-1-522800	119,800.00	44,900.00	798.00	
29-1-522900	235,700.00	149,700.00	1,650.00	
29-1-523000	219,200.00	137,500.00	1,528.00	
29-1-523100	235,700.00	149,700.00	1,650.00	
29-1-523200	235,700.00	149,700.00	1,650.00	
29-1-523300	219,200.00	137,500.00	1,528.00	
29-1-523400	236,300.00	150,200.00	1,654.00	
29-1-523500	333,300.00	260,000.00	2,366.00	
29-1-523900	219,000.00	136,900.00	1,528.00	
29-1-524100	90,200.00	44,700.00	380.00	
29-1-524200	90,200.00	44,700.00	380.00	
29-1-524300	90,200.00	44,700.00	380.00	
29-1-524600	274,500.00	187,900.00	1,934.00	
29-1-524800	96,500.00	61,400.00	402.00	
29-1-524900	96,500.00	61,400.00	402.00	
29-1-525000	199,400.00	90,000.00	820.00	
29-1-525100	199,400.00	90,000.00	820.00	
29-1-525200	199,400.00	90,000.00	820.00	
29-1-525500	213,300.00	142,600.00	1,486.00	
29-1-525600	213,300.00	142,600.00	1,486.00	
29-1-525800	184,800.00	132,300.00	1,276.00	
29-1-526000	182,800.00	151,200.00	1,262.00	
29-1-526100	182,800.00	130,700.00	1,262.00	
29-1-526200	166,600.00	145,800.00	1,142.00	
29-1-526300	169,200.00	63,100.00	1,162.00	
29-1-526400	395,200.00	345,800.00	4,214.00	
29-1-526500	30,100.00	30,100.00	468.00	parking
29-1-526600	2,118,800.00	1,575,600.00	42,958.00	lodge
29-1-526700	100.00	100.00	-	(common area)
29-1-526800	100.00	100.00	-	(common area)
29-1-526900	100.00	100.00	-	(common area)

AITKIN COUNTY BOARD

May 18, 2010

29-1-527000	100.00	100.00	-	(common area)
29-1-527001	100.00	100.00	-	(common area)
29-1-527002	100.00	100.00	-	(common area)
29-1-527100	100.00	100.00	-	(common area)
29-1-527200	100.00	100.00	-	(common area)
29-1-527300	113,900.00	108,400.00	1,772.00	
29-1-527400	100.00	100.00	-	(common area)
29-1-527500	423,100.00	291,800.00	7,968.00	maint. building
29-1-081900	3,000.00	3,000.00	18.00	
29-1-082000	3,000.00	3,000.00	18.00	
29-1-082200	203,600.00	194,400.00	3,440.00	
29-1-082300	3,000.00	3,000.00	18.00	
29-1-082400	3,000.00	3,000.00	18.00	
29-1-084000	3,000.00	3,000.00	18.00	
Totals	10,147,000.00	6,615,600.00	105,282.00	
Parcel Count=	59.00			
Properties Owned by Assured Financial				
29-1-524400	261,000.00			\$1,836.00
29-1-524500	261,000.00			\$1,836.00
29-1-524700	261,000.00			\$1,836.00
29-1-525700	261,000.00			\$1,836.00
29-1-525900	261,000.00			\$1,836.00
Totals	\$1,275,400			\$9,180.00
Parcel Count = 5				
Total Parcel Count = 64				
During the meeting, the Board heard updates on the following committees: i) Library, and ii) Airport				
Motion by Commissioner Wedel, seconded by Commissioner Napstad and carried, all members voting yes to adjourn the meeting at 6:24 p.m. until Tuesday, May 25, 2010 at 10:30 a.m.				
<hr/> Paul Bailey, Chairperson Aitkin County Board of Commissioners				
<hr/> Patrick Wussow, County Administrator				

**COMMITTEE
UPDATES**

ADJOURN