

Greg Pruszinske

From: Steve Taylor <Steve.Taylor@[REDACTED]>
Sent: Tuesday, November 13, 2018 12:57 PM
To: Greg Pruszinske
Cc: Marie Pflipsen
Subject: Economic Development.docx
Attachments: Economic Development.docx

Thanks.

Administration

X. Economic Development

Background

In light of Xcel Energy's decision to decommission Sherburne County Generating Station (Sherco) plants I and II, there is a need to attract new business to the Becker Industrial Park to help diversify their tax base and mitigate the impact of job losses.

Over the past two years, discussions have taken place with a Fortune 100 company with a well-known brand who is potentially interested in developing a state of the art, high tech facility totaling approximately \$500M in capital investments at the industrial park. The facility would be supported by 50+ FTEs and up to 1,000 construction jobs – it is expected this project would create significant community economic multiplier effects. Finally the company has a track record of under-promising and over-delivering on investment and positive economic impacts and multiple phases are contemplated beyond the initial investment.

In order to support this large addition to the industrial park significant infrastructure is required from a water, sewer, wastewater and transportation standpoint including:

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Requested Position

Sherburne County urges the legislature to support a capital funding request of \$18M to allow this critically important project to move forward putting Sherburne County and the State of Minnesota at the forefront of technology innovators.

Sherburne County Legislative Priority – Sherco Business Park Infrastructure

Background

The retirement of Sherco Unit 2 (2023) and Unit 1 (2026) are imminent and will cause a loss in tax base, employment, and area investment. As the state and country move away from coal and towards renewable and natural gas as the economic backbone, Sherco 3's retirement is also inevitable. Comprising [75%] of the Becker's tax base, this represents a unique loss to a small area in rural Minnesota. NSP's planned new gas plant will help fill the gap, but to offset the retirement of Sherco's coal units, the area must expand and diversify its commercial and industrial base. As a catalyst for new investment in the region, Becker and Sherburne County are in discussions with a Fortune 100, multinational technology company for a new light industrial facility that seeks to provide an anchor that will help attract even more capital investment, professional wage, new-economy jobs, and long-term economic vitality. The facility will be powered with 100% renewable energy through a forward-looking transaction with Xcel Energy. DEED's IMPLAN model estimates the tech project will provide significant direct and spill-over benefits, including:

- \$500 million+ in capital investment
- 1,600+ local construction jobs and 50+ high-skilled, professional wage, permanent jobs

To accommodate this project, and support future investment, a portion of the buffer land surrounding the Sherco power plant is being annexed into the city and developed into a state-of-the-art business park with unparalleled access to critical utilities and infrastructure, and of which the project will help anchor.

To provide the required infrastructure investments for the business park, feasibility studies estimate the following:

- Municipal water and sanitary sewer: [\$9,500,000]
- Municipal sewer: [\$7,100,000]
- Storm water and drainage [\$2,000,000]
- Roads and lighting [\$1,500,000]
- **Total: [\$20,100,000]**

Requested Action

1. Sherburne County supports further infrastructure buildout of the Sherco business park site.
2. Sherburne County supports the transition from a predominantly coal-based energy economy to one based on renewables and natural gas.
3. Sherburne County supports and recommends legislation that provides \$18M in funding to enhance the public/private partnership opportunities and pay for the necessary business park infrastructure build-out costs so as to attract long-term private capital and investment.