Official Proceedings of the Stutsman County Commission – June 11, 2021

At 10:30 a.m., Chairman Klose called the special meeting of the Stutsman County Commission to order. Ramone Gumke, Joan Morris, Steven Cichos and Mark Klose answered the roll call. Dennis Ova was absent.

Klose opened the floor for discussion regarding Archer Daniels Midland (ADM) application for property tax incentive.

ADM is currently asking for a 20-year tax abatement, with a proposal to pay $200,000 a year.

John Craft, Spiritwood Township Supervisor (via phone), Jesse Hewson, Stutsman Rural Water, Geneva Kaiser, Stutsman Rural Water, Katrina Christiansen, Jamestown Resident, George Quigley, Spiritwood Township Supervisor/Fire Director, Clarence Daniel, Spiritwood Township Chairman, Ryan Carlson, Spiritwood Township Supervisor, Cory Shevlin, JSDC, Brian Paulson, Jamestown Rural Fire Department Chief, Richard Klose, Jamestown Rural Fire District President, Tyler Perleberg, Stutsman County Director of Tax Equalization, Rich Dye, ADM Senior Tax Manager, and other Stutsman County staff members were in attendance.

Perleberg researched natural gas and coal conversion tax and stated GRE is currently paying a coal-conversion facility tax. Of the total, 15% is apportioned within Stutsman County. The total is apportioned between the County, School Districts, and all incorporated cities within the County, and 85% of revenue goes to the State General Fund. The Fire District and township do not receive any income from those taxes.

If GRE converts to natural gas, they will be taxed under a generation tax. When this happens 100% would be paid to Stutsman County and then apportioned out to the appropriate taxing districts, including the Fire District and Spiritwood Township. Perleberg mentioned not to expect a reduction once that change is made. There will be a substantial increase.

The next question was regarding the permit of the water usage of proposed facility. ADM will acquire six water permits from Cargill. Of those six, ADM is planning on using 3 to 4 wells. The process will use less water than the previous owner.

Inflow of traffic was questioned at the previous meeting. ADM estimates 1,302 trucks per work week, or approximately 260 trucks per day. ADM estimates 168 rail cars per work week, or approximately 54 rail cars per day. All inbound traffic will be truck, and all outbound finished, refined soybean oil will be primarily rail car. Richard Klose questioned how the meal will go outbound and how much meal would be used as local use.

Spiritwood Township presented some concerns regarding the railroad crossing issues at the previous meeting. The tracks are not owned by ADM. They do understand the concerns of blocked traffic. The railroad logistics workers reassured ADM that federal mandates a 15-minute blockage.

Clarence Daniel, Spiritwood Township Chairman, was informed by BNSF that there is a federal exception to the 15-minute blockage rule when walking the train to check each car.

ADM will work with the railroad to avoid blocking the intersections and entrances. The connection of the train will be offsite. This should alleviate some of the blockage.

Klose requested discussion of the length of the 20-year term.

Michael Severson, Barnes County North Superintendent, discussed the length and understands the incentives. BCN would like a 10-year term.

Spiritwood Township held a special meeting on Wednesday, June 9, 2021, and had the same recommendation. The township would rather have a 10-year term. They felt the 20-year term was too long. It makes budgeting harder down the road.

Brian Paulson, Jamestown Rural Fire Department, presented revenues collected and major projects in the last ten years. JRFD has received a lot of equipment funding through state, federal and local grants, and fundraising. They would take a $20,000 cut in revenue. Paulson is asking that JRFD be left whole without having to do more fundraisers. Richard Klose stated they are way beyond budget for the year.

Christiansen presented ADM with a question about hexing extraction on site and what is done with the volatiles, are they being burned, what the fire suppression system is and how many other fires ADM has had with hexing at other crush facilities. She would like to understand what impact it has on the local community. Dye stated the existing facility and structures will be mostly demolished. Brand new fire suppression systems will be used going forward. ADM will keep chemicals on site in a safe and contained manner.

Christiansen requestioned what ADM will be doing with the volatiles coming off the hexing that they will be using for extraction. Dye indicated all volatiles will be reclaimed.

Dye stated ADM has not previously helped fire departments with lost revenue or special hoses at previous locations that have given tax abatements.

Paulson stated GRE put hydrants on site that required 5-inch fire hoses. When GRE opened, they gave JRFD two grants of $7,500 each year for two years to help purchase hoses and monitors. In 20 years, JRFD will have four trucks that will have to be replaced.

The estimated tax to the Fire District is about $30,000 per year. If ADM were to receive the tax incentive, JRFD would get $10,000 per year.

Cichos questioned Dye how he feels about the 10-year instead of the 20-year PILT. ADM understands the concerns of the taxing entities.

Stutsman Rural Water operates in the industrial park. Kaiser has worked for Stutsman Rural Water for 32 years and has seen the change in the rural areas. This abatement is going to affect the whole county. Kaiser fully supports JRFD and their request.

At 11:06 a.m., the Stutsman County Commission adjourned.

ATTEST:

Jessica Alonge Interim Auditor/COO	Mark T. Klose Commission Chairman