



Special Meeting Agenda

Monday, August 27, 2018 (7:00 PM)

Please call 507-479-3219 if you are unable to attend

- I. Call meeting to order (7:00 PM)**
- II. New Business:**
 - 1. Approve/ Deny adoption of the Green Isle Business subsidy policy
 - 2. Approve/Deny resolution for Green Isle TIF district
- III. Adjournment**

City of Green Isle

Business Subsidy Policy

This policy is adopted by the City Council of the City of Green Isle, Minnesota in accordance with the Minnesota Business Subsidy Law (Minnesota Statutes sections 116J.993 through 116J.995). This policy shall apply only to those business subsidies granted under the above law.

It is realized that business subsidies may provide benefits to a community in many different forms. Whereas job creation is highly sought after as a traditional measure of a subsidy's public benefit, it is also recognized that job creation is not the only measurable benefit.

The following criteria will guide the subsidy benefit analysis process:

1. Each project shall be evaluated individually for public benefit.
2. Projects shall be evaluated taking into account all benefits, primary and auxiliary, including the following:
 - a. Whether the project enhances economic diversity in the community.
 - b. Whether the project creates high-quality job growth and promotes wage levels comparable to community wage levels.
 - c. Whether the project provides for job retention, where the loss of jobs is imminent and demonstrable.
 - d. Whether the project provides a stabilizing or preserving effect for the community.
 - e. Whether the project increases the tax base to the community, although an increase in the tax base alone is not a sufficient reason for granting a subsidy.
 - f. Whether the project offers other benefits specific to the community.

The above-mentioned criteria are intended to be flexible and to be applied in accordance with the changing nature of the community and businesses in the community. In particular, the job growth and wage levels created by a project shall be viewed in the context of the changing needs and expectations of the community.

DATE OF ADOPTION: _____

DATE OF PUBLIC HEARING: _____

CRITERIA USED TO CONSIDER BUSINESS SUBSIDY ELIGIBILITY

The City has a broad range of powers to assist community development. These include tax increment financing, tax abatement, various grant opportunities and bonding. Therefore, when appropriate, the City will use its authority to financially participate in a project to accomplish community development goals.

The City's participation in a project can benefit the community by attracting development, creating employment opportunities, providing housing opportunities and assisting in financing redevelopment to remove blight. The criteria the Green Isle EDA and the City of Green Isle considers in determining whether business subsidies should be given to a project include the following:

1. But-for Test. There is a substantial likelihood that the project would not go forward without a business subsidy.
2. Redevelopment. The project will remove, prevent or reduce blight or other adverse conditions of the property, thereby protecting the City's property values and the general public health, safety and welfare.
3. Attraction of new business. The project will attract or retain businesses and offer the potential for significant growth in employment and tax base.
4. Needed services. The project will provide a needed service in the community.
5. Unmet housing needs. The project will provide housing alternatives the community currently needs but are not available.
6. Economic Feasibility. The recipient can demonstrate that it has experience and adequate financing for the project, and that the project can be completed in a timely manner.
7. Impact on City Services and Infrastructure. The project will not significantly and adversely increase the demands for service needs in the City.
8. Job Creation. Recipients of any business subsidy will be required to meet wage and job goals determined by the City on a case-by-case basis, giving consideration to the nature of the development, the purpose of the subsidy, local economic conditions and similar factors. However, for purposes of meeting the requirements of state law, the wage floor for wages to be paid for the jobs created shall be minimum wage. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy.
9. Tax Base. The project will increase the City's tax base and generate new property tax revenue.
10. Community Development. The project will provide a public use/benefit.

IF A BUSINESS SUBSIDY IS GRANTED

The City will calculate the value of assistance provided to a business in the following manner:

1. If the subsidy is a contribution or sale of real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City, less any amount paid.
2. If the subsidy is a loan, the amount of the subsidy will be the principal amount of the loan.
3. If the subsidy is a loan guarantee, the amount of the subsidy will be principal amount of the loan guaranteed.
4. If the subsidy takes the form of payments over time – pay-as-you-go tax increment, tax abatement- the amount of the subsidy will be the sum of projected payments.

OTHER GUIDELINES

1. Construction of a project shall not commence until the appropriate City approvals have been given to the application for financing.
2. The City will evaluate each request for a business subsidy on a case-by-case basis and reserves the right to deny any application at any stage of the proceedings prior to adoption of the final approval authorizing the financing.
3. Applicants for assistance shall complete an application form and supply all additional information requested by the City.
4. At all times, procedures and policies related to the proposed or actual approval of the City's financial assistance will comply with the laws of the State of Minnesota.
5. All applications and supporting materials and documents shall become the property of the City and, as such, are public records.

**GREEN ISLE ECONOMIC DEVELOPMENT AUTHORITY
CITY OF GREEN ISLE
SIBLEY COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. _____

**RESOLUTION RECOMMENDING THE CITY COUNCIL ADOPT A
DEVELOPMENT PROGRAM FOR MUNICIPAL DEVELOPMENT DISTRICT NO.
1, AND ADOPT THE TAX INCREMENT FINANCING PLAN FOR TAX
INCREMENT FINANCING DISTRICT NO. 1-1; AND ADOPT A BUSINESS
SUBSIDY POLICY.**

WHEREAS, there is a proposal to adopt a Development Program (the "Development Program ") for Municipal Development District No. 1 and adopt a Tax Increment Financing Plan for Tax Increment Financing District No. 1-1 (the Development Program and the TIF Plan are referred to collectively herein as the "Program and Plan"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.134, and Sections 469.174 to 469.1794, inclusive, as amended (the "Act"), and to adopt a business subsidy policy pursuant to Minnesota statutes sections 116J.993 to 116J.995; all as reflected in the Program and Plan and presented for the Board's consideration; and

WHEREAS, the City of Green Isle (the "City") has investigated the facts relating to the Program and Plan and business subsidy policy; and has caused the Program and Plan to be prepared; and

WHEREAS, the City has performed all actions required by law to be performed prior to the adoption of the Program and Plan and business subsidy policy. The City has also requested the City Zoning Board to provide for review of and written comment on Program and Plan and business subsidy policy and that the Council schedule a public hearing on the Program and Plan and business subsidy policy upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Green Isle Economic Development Authority as follows:

1. The EDA hereby recommends that the Program and Plan and business subsidy policy conform in all respects to the requirements of the Act; will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; and will increase employment in the state, and preserve and enhance the tax base of the state.

2. The EDA further recommends that the Program and Plan and business subsidy policy will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Development District No. 1 by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.

3. The EDA hereby recommends the Program and Plan and business subsidy policy, as presented to the EDA on this date, and recommends that they be established and adopted by the City Council.

Approved by the Green Isle Economic Development Authority this 27th day of August, 2018.

President

ATTEST:

Secretary