

LUVERNE ECONOMIC DEVELOPMENT AUTHORITY

BUSINESS SUBSIDY POLICY

DATED: April 17, 2003

RECEIVED MAY 14 2003

I. PURPOSE

- 1.01 The purpose of this policy is to establish the policy of the Luverne Economic Development Authority (hereinafter "LEDA") as relates to the granting of business subsidies as the same are defined in Minnesota Statutes §116J.993, Subdivision 3. This policy is to be used as a guide in processing, reviewing and considering applications requesting business subsidies. This policy supercedes and replaces any prior policy on the granting of business subsidies.
- 1.02 This policy is intended to comply with the provisions of Minnesota Statutes §116J.993 through 116J.995, the Minnesota Business Subsidies Act (the "Act").
- 1.03 All LEDA programs that provide business subsidies are hereby revised to incorporate the provisions of this Business Subsidy Policy as deemed necessary and appropriate.

II. STATUTORY AUTHORITY

- 2.01 All business subsidy requests must comply with this Business Subsidy Policy and all applicable Minnesota statutes. LEDA's authority and ability to grant business subsidies shall be governed by the requirements in Minnesota Statutes §116J.993 through 116J.995.

III PUBLIC PURPOSE REQUIREMENT

- 3.01 All business subsidies must meet a public purpose which may include, but shall not be limited to the following:
 1. Increasing the tax base.
 2. Job creation or retention. Job creation or retention may be, but is not required to be, a public purpose for granting a business subsidy. Any determination that job creation or retention is not a public purpose for the business subsidy and/or that related wage and job goals are zero shall only be made following a public hearing by the LEDA. Job retention may be used as a public purpose only in cases where job loss is specific and demonstrable.
 3. Encouraging the expansion, retention, establishment or improvement of businesses providing services promoting the general health, safety and welfare of the citizens of Luverne. For example, and not by way of limitation, this would include provision of health care facilities, services and related businesses.

4. Encouraging investment in geographic areas in need of redevelopment.
5. Facilitating the re-use of historic properties.
6. Facilitating the elimination of substandard buildings or blight.
7. Facilitating environmental remediation.
8. Facilitating the relocation of uses that are not in conformity with the City's comprehensive plan or zoning ordinances.

IV. BUSINESS SUBSIDY OF CRITERIA

- 4.01 All business subsidies shall be provided within applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements and policies of the LEDA and other appropriate authorities.
- 4.02 The project shall comply with the City of Luverne's Comprehensive Plan and Zoning Ordinances, or the business subsidy must be conditioned on the required changes to the Comprehensive Plan and/or Ordinances being approved by the City of Luverne.
- 4.03 Business subsidies requests should maximize the amount of private development investment in the project.
- 4.04 Wage and job goals must be sensitive to prevailing wage rates, local economic conditions, external economic forces, the individual financial resources of recipient and the competitive environment in which the recipient's business exists. The wage floor for jobs to be created shall be \$8.00 per hour.
- 4.05 As is permitted by the Act, LEDA may deviate from the criteria of this Business Subsidy Policy by documenting in writing the reasons for the deviation and attaching a copy of that documentation to its next annual report to the Minnesota Department of Trade and Economic Development.

V. SUBSIDY AGREEMENT

- 5.01 All recipients must enter into a subsidy agreement with the LEDA which will comply with provisions of Minnesota Statutes §116J.994, Subdivision 3 and shall include all required elements as set forth therein.
- 5.02 All subsidy agreements shall include a provision requiring the recipient to provide the information necessary to file all annual reports required by Minnesota Statutes §116J.994, Subdivision 7.

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RESOLUTION #5-2003

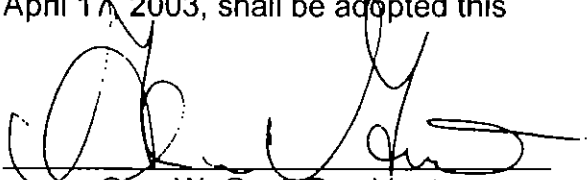
**A RESOLUTION AMENDING THE
LUVERNE ECONOMIC DEVELOPMENT AUTHORITY
BUSINESS SUBSIDY POLICY**

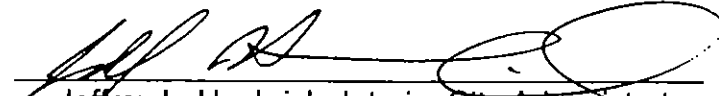
WHEREAS, the Luverne Economic Development Authority's Board of Commissioners has previously adopted a Business Subsidy Policy on September 14, 1999; and

WHEREAS, the LEDA has conducted a public hearing considering amendments and revisions of said Policy; and

WHEREAS, the LEDA desires to amend the terms and provisions of said Business Subsidy Policy.

NOW THEREFORE, BE IT RESOLVED BY THE LUVERNE ECONOMIC DEVELOPMENT AUTHORITY BOARD OF COMMISSIONERS, that the attached Business Subsidy Policy dated April 17, 2003, shall be adopted this 22nd day of April, 2003.


Glen W. Gust, President

ATTEST: 
Jeffrey L. Haubrich, Interim City Administrator