

Ed Horia

**CITY OF KASSON
RESOLUTION # 4.4-04**

A Resolution establishing a "JOBZ Business Subsidy Policy and Criteria"

RECEIVED MAY 1 2004

RESOLVED by the City Council of the City of Kasson that it shall adopt the following **JOBZ Business Subsidy Policy and Criteria**:

Preamble. Whenever the City of Kasson agrees to voluntarily forfeit tax or other revenue that benefit private development projects, those projects should create the greatest number of living wage jobs possible for the residents of the City and the surrounding region. City policy makers and economic development agents must keep the critical need for living wage jobs the priority whenever public dollars are invested in a private business or development project.

Business Subsidy Public Purpose. The public purposes of this policy shall be to enhance economic growth in this area, specifically to retain and/or create high quality job growth and stabilization of the community. This policy is adopted in compliance with M.S. § 116J.994 Subd. 2. A copy of the policy shall be submitted to the Department of Employment and Economic Development along with the first annual Business Subsidy report.

Business Subsidy Implementation. The City will focus its JOBZ business subsidy assistance to businesses which demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees. The City will focus its JOBZ business subsidy assistance only to businesses which agree to comply with annual business subsidy reporting requirements as required by Job Opportunity Building Zone (JOBZ) statute M.S. §§ 469.310 - 469.320; and/or as required by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995.

I. DEFINITIONS

"Authorized Business Subsidy Signatory" means the Mayor and City Administrator of the City who are authorized by this policy to execute JOBZ business subsidy agreements on behalf of the City of Kasson.

"JOBZ Business Subsidy" means voluntary tax exemptions or tax credits available to a qualified business located in a job zone under the Job Opportunity Building Zone (JOBZ) statute M.S. §§ 469.310 - 469.320;

"Business Subsidy Report" means the annual report submitted by the LGA required to comply with M.S. § 116J.994 Subd. 7. (b).

"Criteria" means the equitably applied, uniform standards by which the Economic Development Agency and /or the City bases its decision to award any JOBZ business subsidy to a private business or development project establishing a business and creating jobs in the City of Kasson.

"DEED" means Minnesota Department of Employment and Economic Development.

"Economic Development Agent" means the authorized entity that is empowered to solicit, negotiate and form business subsidy agreements on behalf of the City of Kasson .The

Economic Development Agent for the City of Kasson shall be the Mayor or City Administrator.

"Living Wage Job" shall mean a job which pays wages and health benefits that total at least the rate of 110% of the current poverty level for a family of four.

"Local Governmental Unit" hereinafter LGA, means the statutory city of Kasson, MN:

"Qualified Business" means a person that carries on a trade or business at a place of business located within a Job Opportunity Building Zone as referenced in M.S. § 469.310 Subd. 11; and complies with the reporting requirements specified by M.S. § 469.313 Subd. 2. (5); and shall comply with the criteria in Section II.C. of this agreement; and shall also mean "Recipient" as defined by Business Subsidy law. A qualified business shall not include a retail business, a low-wage service business, an agricultural production business, or a business that pays less than the living wage defined in this agreement.

"Recipient" means any business entity that receives a JOBZ business subsidy as defined by JOBZ statute M.S. §§ 469.310 - 469.320 and that has signed a Business Subsidy Agreement with a city.

"Relocating Business" A business relocating from another Minnesota non-JOB Zone location.

"Relocation Agreement" means a binding written agreement between a relocating qualified business and the commissioner of DEED pledging that the qualified business will either: (a) increase full-time or full-time equivalent employment in the first full year of operation within the job opportunity building zone by at least 20 percent, **or** (b) make a capital investment on the property equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year; and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met.

"Subzone" means the parcel or parcel of land designated by the Commissioner of Employment and Economic Development within a Job Opportunity Building Zone within the boundaries of the City of Kasson to receive certain tax credits and exemptions specified under M.S. § 469.310-469.320.

"Zone" means a Job Opportunity Building Zone or an Agricultural Processing Facility Zone designated by the commissioner of Employment and Economic Development under M.S. § 469.314.

II. BUSINESS SUBSIDY REQUIREMENTS

- A. Any time the City of Kasson provides a JOBZ business subsidy to a Qualified Business or Recipient, that business is subject to the wage goals, job goals and other criteria set forth in this policy. In the event of a conflict between the requirements of the Business Subsidy statute M.S. §§ 116J.993 - 116J.995 and the JOBZ statute M.S. §§ 469.310 - 469.320, the JOBZ statute shall control.
- B. Qualified businesses shall not compete with or displace local businesses currently operating within the subzone community.
- C. The qualified business in the case of a currently non-quantifiable JOBZ business subsidy, must create and retain for the period of the JOB Zone duration or until December 31,

2015 whichever is shorter, at least two jobs that pay a living wage. These jobs shall be created not later than 180 days after signing business subsidy agreement.

D. The City of Kasson may deviate from wage and job criteria in Section II by documenting the reason in writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED.

E. The City of Kasson shall require all businesses receiving a JOBZ business subsidy to comply with the following:

1. Attend a properly noticed public hearing held by the City as provided by M.S. § 116J.994. The purpose of the hearing shall be to identify the criteria that the qualified business or recipient will meet in order to be eligible to receive a business subsidy or become a qualified business for purposes of the JOBZ statute. The hearing shall specify the public purpose(s) that shall be achieved by offering the subsidy, and shall specify the measurable, specific, and tangible goals committed to by the qualified business. As provided by M.S. 116J.994, Subd. 5., a public notice shall be published in print and if possible, on the internet, at least 10 days prior to the hearing, identifying the location, date time and place of the hearing; and providing information about the business subsidy proposed, including a summary of the terms of the subsidy.
2. If the business is qualified to receive JOBZ tax benefits, that business shall agree to continue operations in the jurisdiction where the subsidy is used (the subzone) for five years beyond the duration of the job zone term.
3. If the qualified business or recipient is a relocating business under the definition in this agreement, the business shall be required to enter into a binding written "Relocation Agreement between the qualified business and the commissioner of DEED pledging that the qualified relocating business will either:
 - (a) increase full-time for full-time equivalent employment in the first full year of operation within the job opportunity building zone by at least 20 percent, **or**
 - (b) make a capital investment on the property equivalent to 10% of the gross revenues of operation that was relocated in the immediately preceding taxable year; and provides for repayment of all tax benefits if the requirements of (a) or (b) are not met.

4. Design Standards

(a) All building and site plans shall be reviewed by the City to ensure the following standards are met. Deviation from the strict adherence to these standards can be considered if extenuating circumstances are shown.

(b) Exterior surfaces of all buildings shall be faced with a minimum of twenty five percent (25%) of a combination of brick, stone, architecturally textured concrete products, wood veneer, glass, stone, decorative pre-cast panels, equivalent products or better. Building facades shall not be constructed entirely of nontextured cinder

concrete block, sheet aluminum, steel, corrugated aluminum or steel, or similar products.

(c) Accessory buildings shall be architecturally complimentary to the primary structure.

5. Landscaping Requirements

(a) A landscaping plan shall be submitted which shall include a combination of trees, shrubs, planted ground cover and/or other vegetative material. Landscaping plans shall be reviewed by the LGA to ensure the following standards are met. Deviation from the strict adherence to these standards can be considered if extenuating circumstances are shown.

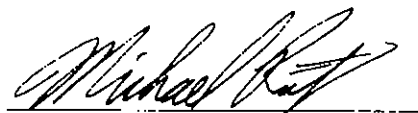
(b) Lot coverage shall not exceed seventy percent (70%), creating and maintaining thirty percent (30%) open space.

(c) All open space shall be graded to provide adequate drainage and shall be sodded and landscaped.

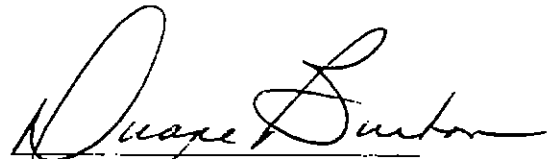
(d) Bufferyards and screening as specified in Kasson City Code Section 24-39 shall be required.

ADOPTED this 28th day of April 2004.

ATTEST:



Mike Rietz, City Administrator



Duane Burton, Mayor

The motion for the adoption of the foregoing resolution was made by Council Member Fjerstad and duly seconded by Council Member Worden. Upon a vote being taken, the following members voted in favor thereof: Burton, Fitch, Fjerstad, Ijosaas, Worden. Those against same: None.