

**City of Owatonna
Policy and Criteria for Consideration
And Granting of Benefits
Within JOBZ Enterprise Zone**

The City of Owatonna has received approval from the Minnesota Department of Employment and Economic Development for designation and participation in the State's JOBZ Enterprise Zone Program. A map depicting property for inclusion in this program is attached.

Any business seeking to participate in this program shall submit all of the following information:

- 1.) Information requested on the attached "Outline for Proposal To Owatonna, MN"
- 2.) Enter into a Business Subsidy Agreement with the Sub-zone Administrator
- 3.) Fill out JOBZ Survey and submit to Sub-zone Administrator to forward to the State
- 4.) If business is relocating from another Minnesota Community, enter into a Relocation Agreement with the State
- 5.) Submit proper forms to the Department of Revenue to claim appropriate tax exemptions
- 6.) Provide information to Sub-zone Administrator for completion of the Minnesota Business Assistance Form (annual business subsidy report).

Following submission of this information the City shall calculate the estimated annual benefit to be derived by the business seeking assistance. The estimate of benefits shall include real estate tax savings, sales tax savings and state income tax savings. If the JOBZ benefits are to be provided the City shall conduct a public hearing and may authorize execution of a binding development agreement with the business. The minimum requirement for consideration of inclusion in the JOBZ program is the creation of 1 new full-time employment position at a base wage of at least \$12.00/hour, and capital investment of at least \$500,000. If approved for participation, the business may receive benefits for the duration of the program (through December 31, 2015).

While this stated policy and criteria set the minimum standards for participation, the City Council will evaluate each request based upon the unique factors that result in overall economic benefits to the community. **Meeting the minimum requirements does not guarantee approval for participation.** Other impacts that the City Council may consider in trying to determine/evaluate overall economic benefit of a specific project to the community include:

- Estimate of total job creation/job retention

APPROVED

- Estimate of total capital investment
- Estimated market value increase
- Potential economic multiplier (e.g. impact/opportunity to increase sales of other businesses within the community)
- Ratio of jobs created/retained:estimated subsidy provided
- Ratio of subsidy provided:private investment leverage

Whenever participation in the JOBZ program is granted the City Council shall document the ability of the business to meet the minimum criteria and articulate other anticipated overall economic benefits to the community. The City may require that the qualified business agree to and commit to pay administrative costs for initial review and participation in the program as well as annual fees for monitoring and reporting as required by statute. The amount of these fees will be determined based upon the complexity of the project and corresponding requirements for administrative services.

RESOLUTION NO. 16-04

A RESOLUTION AMENDING CITY BUSINESS SUBSIDY POLCY BY ADOPTING POLICY AND CRITERIA FOR CONSIDERATION AND GRANTING OF BENEFITS WITHIN JOBZ ENTERPRISE ZONE

WHEREAS, Minnesota Statutes, Section 116J.993 through 116J.995, "Business Subsidies Act", requires that before a business subsidy, as defined in the Act, can be granted by a local unit of government or local agency, the grantor must adopt business subsidy criteria after public hearing; and

WHEREAS, the Owatonna City Council, after public hearing, adopted by resolution, a business subsidy policy dated March 18th, 2003; and

WHEREAS, the City of Owatonna has received approval from the Minnesota Department of Employment and Economic Development for participation in the State's JOBZ Enterprise Zone Program; and

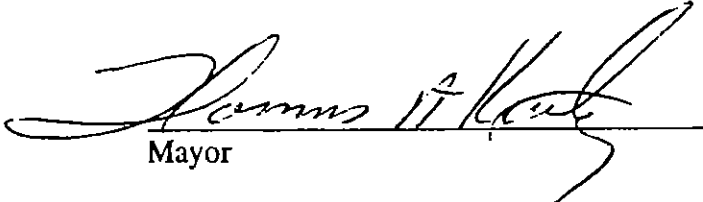
WHEREAS, the City Council deems it necessary to establish policy and criteria for consideration and granting benefits under the JOBZ program; and

WHEREAS, a public hearing was held on March 16th, 2004, on adoption of revisions to the city's business subsidy policy establishing policy and criteria specifically for the consideration and granting of JOBZ benefits.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Owatonna, Minnesota, hereby adopts the attached "City of Owatonna Policy and Criteria for Consideration and Granting of Benefits Within JOBZ Enterprise Zone" and that said policy and criteria shall become an addendum to the city's business subsidy policy titled "Economic Development Incentives Policy" and dated March 18th, 2003.

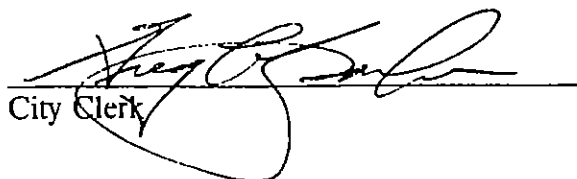
Passed and adopted this 16th day of March, 2004, with the following vote: Aye 5; No 0; Absent 2.

Approved and signed this 16th day of March, 2004.



Mayor

ATTEST:



City Clerk

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