

ATTACHMENT A
CITY OF PELICAN RAPIDS, MN
Job Opportunity Building Subzone Policy
April 12, 2004

1. Introduction

The Job opportunity Building Zone (JOBZ) was created during the 2003 legislative session in order to provide rural Minnesota with an economic development tool that could assist in fostering and stimulating economic growth and job opportunities in rural areas. Job Opportunity Building Zones, also known as Tax Free Zones, provide specified tax exemptions to qualified businesses that start-up, expand or relocate to rural Minnesota.

The City of Pelican Rapids will consider the use of JOBZ to promote and foster economic development within the City and will review each application on a case-by-case basis to provide tax exemptions and benefits. This subzone policy will identify eligible areas of JOBZ designation, provide eligible tax exemptions, define eligible businesses, delineate the approval process, and specify annual reporting requirements. It is anticipated that all approved Pelican Rapids JOBZ Subzone projects will meet the definition of a business subsidy and be subject to Minnesota Statutes 116J.993 through 116J.995.

2. Intent

The purpose of the Pelican Rapids Job Opportunity Building Subzone Policy is to provide a uniform set of standards and procedures for the City to follow when designating and utilizing the tax exemptions in conjunction with Minnesota Statutes 469.310 to 469.320. The tax free zone allows local units of government the opportunity to exempt qualified businesses from specific local and state taxes.

The City participated in a regional application with West Central Initiative for one tax free zone for west central Minnesota. The City will use this policy to establish the local control and review of the approved Pelican Rapids JOBZ Subzone.

3. Qualifying for Exemptions and Credits

- A. Eligible Areas of Designation – To meet the goals of the City, potential JOBZ property must be included within a Pelican Rapids Subzone and, must be zoned, or planned to be zoned, appropriately for the intended purpose. In most cases, this will require that property be zoned for industrial or commercial usage.
- B. The JOBZ applicant must be a Qualified Business as defined by Minnesota Statutes 469.310, Subdivision 11, which states as follows:
 - i. Qualified business means a person carrying on a trade or business at a place of business located within a job opportunity building zone.
 - ii. Qualified businesses include businesses located in the subzone at the time of designation, business start-ups in the subzone, and business relocations from other states.
 - iii. A person that relocates a trade or business from within the State of Minnesota and from outside of a job opportunity building subzone into a subzone is not a qualified business, unless the business:
 - Increases full-time employment in the first full year of operation with the JOBZ by at least 20 percent measured relative to the operations that were relocated and maintains the required level of employment for each year of the JOBZ designation, or
 - Makes a capital investment in the property located with a subzone equivalent to 10% of the gross revenues of operation that were relocated in the immediately preceding tax year.
- C. The City has established these additional requirements for JOBZ:
 - i. The business must create employment opportunities.

- ii. The qualified business is defined as an industrial business, or a 'heavy service related business or professional business so long as said heavy service related business or professional does not compete with an existing business already located within the City of Pelican Rapids.
- iii. No retail businesses are eligible for participation in the JOBZ program.
- iv. No personal or professional service businesses which are in direct competition with existing businesses in Pelican Rapids will be eligible for participation in the JOBZ program.
- v. The qualified business must pay "livable wages" which is defined as:
All business subsidy requests must have combined wages and benefits equal to or exceeding 110% of the Federal Poverty Level for a family of 4 (the 2004 Federal Poverty level for a family of 4 = \$18,850 times 110% divided by 2080 hours equals \$9.97 per hour). The Federal Poverty Level is adjusted annually. Benefits are those which are **not** mandated by Law and include items such as, health insurance, life insurance, dental insurance, retirement, profit sharing, and output bonuses.
- vi. Businesses will be required to enter into a Business Subsidy Agreement with the City.
- vii. The City will not consider applications for existing improvements located in the subzone.
- viii. The City will not consider applications for businesses receiving Tax Increment Financing assistance.

4. Eligible Exemptions and Credits

According to Minnesota Statute 469.315, the following exemptions are provided to a qualified business:

- A. Exemption from individual income taxes (MS 469.316).
- B. Exemption from corporate franchise taxes (MS 469.317).
- C. Exemption from state sales and use tax on qualifying purchases (MS297A.68, Subd 37).
- D. Exemption from state sales tax on motor vehicles (MS 297B.03).
- E. Exemption from property tax (MS 272.02, Subd 64)
- F. Exemption from the wind energy production tax (MS 272.029, Subd 7).
- G. Jobs credits (MS 469.318).

Businesses will be eligible for exemptions for a maximum duration of twelve (12) years commencing January 1, 2004, and terminating December 31, 2015

5. Ineligible Exemptions

Qualified businesses will NOT be exempt from the property taxes generated by the following:

- A. A general obligation bond levy (i.e. special assessments, building projects)
- B. A school operating referendum approved by the voters before the designation of the Zone.
- C. Land valuations (improvements are exempt)
- D. Property where neither the owner nor the occupant/lessee is a qualified business.

6. JOBZ Modifications:

Within the City of Pelican Rapids, there are 88.30 acres of land within the 3 approved subzones – the Industrial Park Subzone, the West 108 Subzone, and the Lake Region Electric Subzone. The City has the flexibility to modify its subzones on a case-by-case basis in order to provide JOBZ status to projects on properties that are not currently situated within the City's designated subzones. However, no additional acreage can be placed within a subzone. Rather, the City will need to swap acreage, removing existing acres while adding new acres, so that there is no net gain or loss in total acreage (88.3 acres). The City will formally designate which property is to be eliminated from a subzone so that additional properties may be added.

Qualified businesses are allowed to request JOBZ Modification from the City subject to the following process:

- A. Submission of a complete JOBZ Application to the City of Pelican Rapids. In addition to the information requested in the Application, the following information must be attached:

- i. Letter requesting the modification and explaining the benefits of the modification. Letter must be signed by business owner and/or corporate officer.
- ii. Parcel number of the property.
- iii. Adjacent roads/transportation pattern
- iv. Parcel map
- v. Site plan of facilities

B. Completed Business Subsidy Agreement with the City

Following approval by the Pelican Rapids City Council, the qualified business will also need to receive the approval of Otter Tail County and the School District regarding subzone modification.

C. The following conditions must be met for a subzone to be modified:

- i. The qualified business must be an industrial business, or heavy service related business or professional if said business is not in competition with an existing heavy service related or professional within the community.
- ii. The parcel is not located within an active Tax Increment Financing District.
- iii. The parcel has not been approved for tax abatement benefits.
- iv. The project must make considerable improvements to the parcel.
- v. The project must create employment opportunities at 'livable' wages.
- vi. The project site and business are ready to build, expand or make the improvements.

The Minnesota Department of Employment and Economic Development will have final approval of the JOBZ subzone modification.

7. **Application Process** - A business that wishes to receive tax exemptions and credits in the Pelican Rapids JOBZ Subzone must complete an application and submit the appropriate information to the City. This information may include business plans, market studies, soil boring reports, environmental studies, and any other information the City, or its designated representative(s), deems necessary to conduct the City's review of the project. Historical information is required from an existing company.
8. **Staffing** - Staffing for the JOBZ program will be provided by the City Administrator and City Economic Development Consultant. Staff/consultant will assist applicants in structuring the subsidy package to coordinate with non-subsidy programs, bank involvement, equity, and other necessary components. Staff/consultant will assist applicants in completing the necessary documentation for the subsidy.
9. **Approval Process** – The City Administrator/Economic Development Consultant will review all requests for JOBZ benefits based upon the application and other information submitted by an applicant. Following this review, a recommendation will be made to the City Council as to whether the applicant is a qualified business and whether the project meets the criteria for offering tax exemptions and benefits. The City Council shall review all recommendations and will, after consultation with DEED, make a decision as to whether an applicant is approved for JOBZ credits. If the Council grants approval, a Business Subsidy Agreement will be prepared.
10. **Public Notice and Hearing** – Before granting a JOBZ subsidy that exceeds \$100,000, the City must provide for a public hearing pertaining to the subsidy. A public hearing notice must be published in the City's legal newspaper at least ten (10) days prior to the public hearing. The hearing notice must include the place date and time of the hearing and will state the property/project for which the subsidy is being proposed.
11. **Business Subsidy Agreement** – A Business Subsidy Agreement will be executed between the approved qualified business and the City. This Agreement will provide:
 - A. A description of all subsidies, including the type and amount of subsidy, as well as the terms and the entity providing the subsidy.

- B. A statement of the public purpose of the subsidy.
- C. A description of the measurable, specific and tangible goals for the subsidy. There should be separate goals for the number of full-time and part-time jobs to be created; wage goals for jobs created; and wage goals for any jobs to be enhanced through increased wages. The employment opportunity and wage goals should contain specific goals to be attained during a specific timeframe and indicate that these goals are to be maintained during the entire term of the Pelican Rapids JOBZ Subzone.
- D. A description of the financial obligations of the qualified business to repay all JOBZ related tax benefits obtained if the goals are not met and maintained as defined in Minnesota Statutes 469.319.
- E. A description of the financial obligation of the qualified business to repay and other business subsidies provided to the qualified business as governed by the Business Subsidy Law and to repay tax benefits obtained if the goals are not met and maintained as defined at Minnesota Statutes 116J.994 Subd. 6.
- F. A commitment by the qualified business to continue operations in the jurisdiction where the subsidy is provided for the duration of the JOBZ Subzone.
- G. The name and address of the parent corporation of the qualified business, as applicable.
- H. A qualified business receiving JOBZ benefits agrees to furnish to the City, on or before March 1 of each year, an annual business subsidy report (see 12 below).
- I. Before the subsidy agreement is executed, the City must check with the DEED compilation and summary report to verify that the qualified business is eligible to receive a subsidy.
- J. Benefit date is defined as the date after which tax benefits shall begin to accrue to the qualified business; and shall mean the 'operations start date' for a qualified relocating business.

12. Annual Reporting - As the regional applicant, West Central Initiative is required to report all activities within the Zone to the Minnesota Department of Employment and Economic Development (DEED) on an annual basis. Therefore, the City of Pelican Rapids will need to compile and submit information pertaining to its subzone to West Central Initiative. Businesses receiving JOBZ tax exemptions and credits will need to individually submit the following to the City for inclusion in its annual report to West Central Initiative:

- A. The type, public purpose and amount of all subsidies provided;
- B. The number of Jobs Created, both full-time and part-time, in the subzone;
- C. The hourly wage, type of benefits and hourly dollar value of the benefits for each job created within the subzone;
- D. The date the job and wage goals will be reached or when they were attained;
- E. Any additional information that the City or WCI deem necessary to meet the reporting requirements of DEED.

Failure by individual JOBZ businesses to submit the required and requested information to the City within time frame specified will be cause to declare the business is non-compliance with the JOBZ goals.

13. Failure to Meet Goals - Qualified businesses which receive tax benefits under the JOBZ law are required to repay those tax benefits if the business:

- Ceases to operate within the Pelican Rapids Subzone;
- Is no longer a qualified business;
- Relocates into the Pelican Rapids Subzone but does not reach or maintain the required increased employment level, or, make the necessary capital investment; or
- Fails to meet the goals specified in the Business Subsidy Agreement.

A qualified business must repay the amount of the total tax reduction listed in section 469.315, and any refund under section 469.318 in excess of tax liability received during the two taxable years immediately preceding the date on which it ceased to operate in the Pelican Rapids Subzone.

ATTACHMENT B
APPLICATION FOR JOB OPPORTUNITY BUILDING ZONES
City of Pelican Rapids, MN

Business Information –

Business Applicant Name: _____
Address: _____
Contact Person: _____
Telephone: _____
Principal business/product of company: _____

Project/Site –

Location of Proposed Development (street address or general description): _____

Legal description (include PIN/Parcel #) (if additional space is needed, please attach legal description):

Is the proposed project a (circle appropriate answer, may circle more than one):

New Facility

Rehabilitation

Expansion of an Existing Facility?

In general terms, describe the nature of the proposed development: _____

Breakdown of project costs:	Land	\$	_____
	Site Improvements	\$	_____
	New Construction	\$	_____
	Rehabilitation	\$	_____
	Equipment/Machinery	\$	_____
	Other (specify)	\$	_____
	Other (specify)	\$	_____
	TOTAL	\$	_____

Estimated project start date: _____

Estimated project completion date: _____

What is the current zoning classification of the project site: _____

Will rezoning, zoning variances or conditional use permits be required: YES NO

Has site approval been obtained for the project: YES NO

Employment –

What is the present employment of the company (expressed as fulltime or fulltime equivalent employees)? _____

What is your estimate of employment One Year after project completion (expressed as FT or FTE employees)? _____

What is your estimate of employment Five Years after project completion (expressed as FT or FTE employees)? _____

What will be the range of hourly wages paid for new employment positions:
\$ _____ to \$ _____

Will the starting wage satisfy the requirements of the Business Subsidy Law: YES NO

Other –

Will the development attract other related businesses: _____

Why are you requesting JOBZ designation: _____

Other pertinent information: _____

Attach:

- Formal letter to the Pelican Rapids City Council requesting JOBZ designation
- Site plan or sketch
- Building drawings

Applicant Certification:

I certify and affirm by my signature that the information contained and otherwise supplied, as part of this application is complete, current and true to the best of my knowledge.

SIGNATURE: _____

TITLE: _____

DATE: _____

ATTACHMENT C
CITY OF PELICAN RAPIDS
MODEL JOB OPPORTUNITY BUILDING ZONE
BUSINESS SUBSIDY AGREEMENT

THIS JOB OPPORTUNITY BUILDING ZONE (JOBZ) BUSINESS SUBSIDY AGREEMENT is entered into on this _____ day of _____, 2004, the Approval Date, by and between the City of Pelican Rapids, Minnesota, a local unit of government and JOBZ subzone administrator with offices at 315 North Broadway, Pelican Rapids, MN 56572, (Telephone Number: 218/863-6571); (hereinafter "subzone administrator") and «QualifiedBusinessName», a non-retail, non-commercial trade or business organized and operating under the laws of the State of Minnesota (hereinafter "qualified business"), with its principal offices at «QualifiedBusinessName», «QBAddr1», «QBAddr2», «QBAddr3» (Telephone Number: «QBTel»). This Agreement shall become effective upon its Approval Date as defined herein. In order to satisfy the provisions of the Job Opportunity Building Zone statute (M.S. §§ 469.310 - 469.320) and the Business Subsidy Statute (M.S. §§ 116J.993 - 116J.995), the subzone administrator and a representative of the qualified business acknowledge and agree as follows:

I. RECITALS

WHEREAS, the «QualifiedBusinessName» owned by «QualifiedBusinessOwnerName» is the **CHOOSE: fee owner / lessee** of the Property located at «SiteAddr1», «SiteAddr2», in the City of Pelican Rapids, Otter Tail County, Minnesota, with property tax identification number «SitePIN»; consisting of «#ofAcres» acres; and

WHEREAS, the Property is located within a designated Job Opportunity Building Zone, as described in the «ZoneName» Application; and is currently comprised of: **CHOOSE ONE from 1-5:**

1. Vacant land;
2. Land with vacant buildings;
3. Land with buildings currently containing operations adjacent to which the qualified business plans to expand
4. Land with buildings containing an non-qualified operating business
5. Other (specify)

WHEREAS, the «QualifiedBusinessName» has been approved by the subzone administrator to be a non-retail, non-commercial: **CHOOSE ONE from 1-5:**

1. Trade or business located in and operating in a JOBZ or APF Zone at the time of Zone designation; **AND/OR**
2. New trade or business start-up located with a Zone; **AND/OR**
3. Business expansion in the subzone which is a business that maintains its current operations in its current location and is expanding its operations *and* its payroll within the «CityName» subzone; **AND/OR**
5. A business relocating from another state; **AND/OR**

5. A business relocating from another Minnesota non-Zone location; that:
- a. Commits to signing a Relocation Agreement with DEED; and
CHOOSE ONE from b. or c.:
 - b. Ceased one or more operations or functions at a non-Zone location and begins performing substantially the same functions inside the «CityName» Zone; or
 - c. Reduces employment at the non-Zone location starting one year before and ending one year after beginning operations in the Zone and its employees in the Zone are engaged in the same line of business as the employees at the location where it reduced employment; and
CHOOSE ONE or BOTH from d. and e.:
 - d. Increases full time employment by 20% (measured relative to the operations that were relocated) within the first full taxable year of operation within the Zone and maintains the required level of employment during each year of zone designation; or
 - e. Makes a capital investment in the Zone equivalent to at least 10% of gross revenues for the taxable year immediately preceding relocation to the Zone;

WHEREAS, the qualified business (**has begun/plans to begin**) business operations in the subzone on **OPERATION START DATE**).

WHEREAS, the Job Zone Term shall be effective from the approval date until «ZoneTermIndDate». (*Note: In any case this date shall not be later than December 31, 2015.*)

WHEREAS, the qualified business agrees to satisfy the provisions of the business subsidy reporting requirements under the business subsidy statute at M.S. § 116J.993 -116J.995; and as required by M.S. § 469.320 Subd. 1. identified in Section V. of this agreement.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- II. **DEFINITIONS:** The following terms used in this Agreement are defined as:
- A. "Agreement" means this Job Opportunity Building Zone Business Subsidy Agreement by and between "subzone administrator" and the "qualified business".
 - B. "Approval Date" means the date upon which the final execution of this agreement takes place; and after which a qualified business has been approved by the subzone administrator.
 - C. "Benefit Date" is the date after which tax benefits shall begin to accrue to the qualified business; and shall mean the "Operations Start Date" for a qualified relocating business.
 - D. "Business Subsidy" means tax exemptions or tax credits available to a qualified business located in a job zone, and or a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business, and as defined by the Business Subsidy statute.
 - E. "Business Subsidy Report" means the annual report required to comply with M.S. § 116J.994 Subd. 7. (b).
 - F. "Capital Investment" means any investment that is defined as depreciable for purposes of the U.S. Internal Revenue Service.

- G. "City" means the City of Pelican Rapids, a local governmental unit and home rule charter city, acting as the grantor of a business subsidy as defined in Minnesota Statute 116J.993, subd. 3, and as the subzone administrator.
- H. "DEED" means Minnesota Department of Employment and Economic Development.
- I. "JOBZ" means Job Opportunity Building Zone as defined in M.S. § 469.310.
- J. "JOBZ Benefits" shall include all tax exemptions, jobs credits or other business subsidies, including, but not limited to, the following:
- (1) Exemption from individual income taxes as provided under M.S. § 469.316; and
 - (2) Exemption from corporate franchise taxes as provided under M.S. § 469.317; and
 - (3) Exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in M.S. § 297A.68, subdivision 37; and
 - (4) Exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under M.S. § 297B.03; and
 - (5) Exemption from the property tax as provided in M.S. § 272.02, subdivision 64; and
 - (6) Exemption from the wind energy production tax under M.S. § 272.029, subdivision 7; and
 - (7) The jobs credit allowed under M.S. § 469.318.
- K. "JOBZ Zone Term" means the stated period of time as set forth in this Agreement.
- L. "Local Government Unit" means the City of Pelican Rapids.
- M. "Minimum Improvements" means the amount of real property development agreed upon by the parties.
- N. "Person" includes an individual, corporation, partnership, Limited Liability Company, association, or any other entity.
- O. "Project" means the project defined and set forth in this Agreement.
- P. "Property" means the parcel or parcels located within a subzone on which a qualified business is or will be operating, that excludes any building footprint of a business operating in a subzone prior to January 1, 2004; and as identified in Section II.A. of this agreement.
- Q. "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" mean any business entity that receives a business subsidy as defined by M.S. § 116J.993, and that has signed a Business Subsidy Agreement with a designated subzone administrator. A qualified business shall not include a retail, low-wage service, agricultural production business, or provide less than the minimum wages provided in section IV.D.4. of this agreement.
- R. "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 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.
- S. "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 Pelican Rapids, Minnesota, to receive certain tax credits and exemptions specified under M.S. § 469.310-469.320.
- T. "Subzone Administrator" means the legal representative designated by the Local Governmental Unit to administer the subzone and shall also mean "Grantor" as defined by the business subsidy statute M.S. § 116J.993 Subd. 4.

- U. "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.

III. BUSINESS SUBSIDY REQUIREMENTS

In compliance with the provisions of the Minnesota Business Subsidy statutes (M.S. §116J.993 - 116J.995), the City and Qualified Business agree that:

- A. The Job Opportunity Building Zone business subsidy shall include all tax exemptions, job credits or other business subsidies provided from the Approval Date until the last date of the Job Zone Term, including but not limited to:
- (1) Exemption from individual income taxes as provided under M.S. § 469.316; and
 - (2) Exemption from corporate franchise taxes as provided under M.S. § 469.317; and
 - (3) Exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in M.S. § 297A.68, subdivision 37; and
 - (4) Exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under M.S. § 297B.03; and
 - (5) Exemption from the property tax as provided in M.S. § 272.02, subdivision 64; and
 - (6) Exemption from the wind energy production tax under M.S. § 272.029, subdivision 7; and
 - (7) The jobs credit allowed under M.S. § 469.318.
- B. Other business subsidies provided to the qualified business, as described in the Business Subsidy statute at M.S. § 116J.993 - 116J.995, shall be identified, including the amounts and type of subsidy provided, specifically: **CHOOSE THOSE THAT APPLY AND PROVIDE AN APPENDIX TO THIS AGREEMENT OUTLINING THE TERMS OF ANY OF THESE ADDITIONAL SUBSIDIES:**
- (1) Loan
 - (2) Grant
 - (3) Tax abatement
 - (4) TIF or other tax reduction or deferral
 - (5) Guarantee of payment
 - (6) Contribution of property or infrastructure
 - (7) Preferential use of governmental facilities
 - (8) Land contribution
 - (9) Other specified subsidy.
- C. The public purpose(s) for the Job Opportunity Building Zone business subsidy agreed to by the Parties shall include, but not be limited to: **CHOOSE ALL THOSE APPLICABLE THAT APPLY:**
- (1) The enhancement of economic diversity
 - (2) The creation of high quality job growth
 - (3) Job retention
 - (4) Stabilizing the community
 - (5) Other specified purpose
- D. Description and Goals of the Business Subsidy:
- CHOOSE ALL THOSE APPLICABLE THAT APPLY:**
- (1) The qualified business shall create «NumNewFTEJobs» new FTE jobs by «NewJobCreationDate» by and retained by the qualified business during the Job Zone Term and within the subzone boundary.

(2) The qualified business shall maintain «NumNewFTEJobs» the new FTE jobs during the Job Zone Term and within the subzone boundary.

(3) The qualified business shall provide an average wage and benefit level for the new FTE jobs of at least «AvgHourlyWageNewFTE» per hour, during the Job Zone Term and within the subzone boundary.

(4) The qualified business shall provide a specific wage and benefit floor for the wages and benefits to be paid for the new jobs created. The wage and benefit floor may be stated as a specific dollar amount or may be stated as a formula that will generate a specific dollar amount: *110% of 2004 poverty level for a family of four in the state of Minnesota is \$9.73 per hour.*

(5) Where area job loss in a zone has been specific and demonstrable, «NumRetainedJobs» jobs shall be retained during the Job Zone Term and within the subzone boundary; and wage and benefit goals for retained jobs are stated here: ***INSERT WAGE AND BENEFIT GOALS OR ENHANCEMENTS FOR RETAINED JOBS.***

(6) Notwithstanding M.S. § 116J.994 Subd.4 (3) wage and benefit and job goals for job zone business subsidy recipients shall not be set at zero.

(7) A capital investment in the zone of not less than \$«AmtCapitalInvestment» during the first year of business operation in the zone.

(8) Other specified measurable goals and objectives as follows:

INSERT ALL THAT APPLY

- E. A properly noticed public hearing shall be held by the subzone administrator as provided by M.S. § 116J.994. The purpose of the hearing shall be held to identify define the criteria that a qualified business must meet in order to be eligible to receive a Job Opportunities Building Zone business subsidy. The hearing may also specify the public purpose(s) that shall be achieved and the measurable, specific, and tangible goals committed to by the qualified business. A business subsidy may not be granted until the subzone administrator has adopted criteria as required by M.S. § 116J.994 Subd. 2. A copy of the criteria shall be submitted to the Department of Employment and Economic Development along with the first annual report. 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.
- F. A description of the financial obligation(s) of the qualified business to repay all JOBZ related tax benefits obtained if it does not meet the goals identified in this agreement, and as defined in M.S. § 469.319.
- G. A description of the financial obligation(s) of the qualified business related to other business subsidies provided to the qualified business, as governed by the Business Subsidy statute at M.S. § 116J.993 - 116J.995, and to repay tax benefits obtained if it does not meet the goals identified in this agreement, and as defined in and in M.S. § 116J.994 Subd. 6.
- H. A commitment to continue to operations in the jurisdiction where the subsidy is used for the duration of the job zone term.
- I. The Qualified Business hereby agrees to pay and indemnify and hold the City harmless from any and all costs, expenses, and fees, including reasonable attorney's fees, which may be incurred by the City in enforcing this Agreement
- J. A qualified business agrees to furnish to the subzone administrator, on or before March 1 in each year, an annual business subsidy report required in M.S. § 116J.994, Subd. 7., on a form developed and made available by DEED.
- K. A qualified business agrees not to compete with or displace local businesses currently operating within the subzone community.
- L. The Local Government Unit will provide the qualified business with all of the local tax benefits and property tax benefits permitted under M.S. § 469.315.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf by its duly authorized representatives, and the Qualified Business has caused this Agreement to be duly executed in its name and on its behalf by its duly authorized representative, on the date below, and both the City and the Qualified Business agree to be bound by the terms of this Agreement.

Dated: _____

Business Name

By: _____
Authorized Representative

STATE OF MINNESOTA)
)ss
COUNTY OF OTTER TAIL)

On this ____ day of _____, 2004, before me, a Notary Public, personally appeared _____, to me personally known who by me duly sworn, did say that he is the _____ of _____, and acknowledged the forgoing instrument on behalf of said _____.

Notary Public

**CITY OF PELICAN RAPIDS
JOB OPPORTUNITY BUILDING ZONE
RESOLUTION NO.**

WHEREAS, the City of Pelican Rapids has been designated as a Job Opportunity Building Zone Subzone by the Minnesota Department of Employment and Economic Development;

AND WHEREAS, the City is required to adopt certain JOBZ related policies and documents by resolution in order to participated in the JOBZ Program;

AND WHEREAS, the City Council is required to conduct a public hearing prior to the adoption of said policies and documents.

AND WHEREAS, a task force appointed by the City Council has reviewed the Model documents provided by the Minnesota Department of Employment and Economic Development and has recommended changes to these Model documents.

AND WHEREAS, the City Council noticed and conducted a public hearing on April 12, 2004, for the purpose of discussing the documents and the program.

NOW, THEREFORE, BE IT RESOLVED THAT:

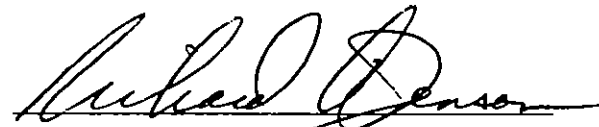
- A. Attachment A, Job Opportunity Building Zone Policy is hereby adopted.
- B. Attachment B, Application for Job Opportunity Building Zones is hereby adopted.
- C. Attachment C, Model Job Opportunity Building Zone Business Subsidy Agreement is hereby adopted.

ADOPTED BY THE CITY COUNCIL OF THE CITY OF PELICAN RAPIDS ON APRIL 12, 2004.



Mayor

ATTEST TO:



Administrative Assistant