

## ROSEMOUNT PORT AUTHORITY

### BUSINESS SUBSIDY CRITERIA

(Revised April 6, 2004)

#### **SECTION I. PURPOSE; STATUTORY COMPLIANCE**

- 1.01. The purpose of this document is to establish criteria to be considered by the Rosemount Port Authority (the "Authority") in processing, evaluating and reviewing applications for business subsidies for private development. It is the intent of the Authority to comply with Minnesota Statutes, sections 116J.993 through 116J.995 (the "Act"). The Authority hereby adopts the definitions contained in the Act for application in the criteria.
- 1.02. The Authority shall have the option to amend or waive sections of these criteria when doing so is determined necessary or appropriate. Amendments to these criteria are subject to the public hearing requirements of the Act.
- 1.03. These criteria are intended to set specific minimum requirements which recipients must meet to be eligible to receive business subsidies. The Authority will not adopt business subsidy criteria on a case by case basis.
- 1.04. In accordance with the Act, all business subsidy requests must comply with the Act and other applicable Minnesota statutes. The Authority's ability to grant business subsidies is governed by the limitations established in the Act.

#### **SECTION II. GOALS AND OBJECTIVES**

- 2.01. It is the Authority's intent to advance the following measurable and specific goals and objectives in granting business subsidies:
  - A. Projects must be consistent with the city of Rosemount's comprehensive plan and other land use plans or guides for development of the community.
  - B. Business subsidies will not be provided for projects which have the financial feasibility to proceed without a public subsidy.
  - C. Potential recipients shall be required to provide such studies, reports, appraisals, financial information or other data as may be requested by the Authority prior to consideration of a request for a business subsidy.
- 2.02. Business subsidies must be justified by evidence that the project cannot proceed without the benefit of the subsidy. If tax increment financing is used to assist a project, the recipient must demonstrate compliance with all statutory requirements of the TIF Act, including the "but for" test. The recipient will be required to provide all documentation necessary for the Authority to make the requisite fundings under the TIF Act and the Act.

- 2.03. Recipients will be required to enter into an agreement with the Authority which is consistent with statutory requirements and which contains measurable, specific and tangible goals. The agreement shall include a commitment for the business to remain in Rosemount for a minimum of five years after the benefit date, unless waived by the Authority, and to comply with the specific job and wage goals established for the project, if any.

### **SECTION III. BUSINESS SUBSIDY CRITERIA**

- 3.01. The Authority recognizes that every proposal is unique. Nothing in these criteria shall be deemed to be an entitlement nor shall these criteria establish a contractual right to a subsidy. The Authority may modify these criteria from time to time and reserves the right to evaluate each project on its individual merits. The Authority may deviate from the criteria contained herein by documenting in writing the reason for the deviation and attaching a copy of the document to its next annual report to the Minnesota department of employment and economic development.
- 3.02. The following criteria shall be utilized in evaluating a request for a business subsidy:
- A. Public Purpose. A business subsidy must meet a public purpose which may include but shall not be limited to increasing the tax base. Job retention may only be used when the loss of jobs is specific and demonstrable.
  - B. Increase in tax base. While an increase in the tax base cannot be the sole grounds for granting a subsidy, the Authority believes it is a necessary condition for any subsidy.
  - C. Jobs and Wages. In those instances in which job creation is determined to be a goal, it is the Authority's intent that the recipient creates the maximum number of livable wage jobs at the site. This may include jobs to be retained but only if job retention is specific and demonstrable. The wage and job goal must be attained within two years of the benefit date. The Authority may, after a public hearing, extend for up to one year the period for meeting the wage and job goal. A livable wage job is defined as one which pays at least 150% of the federal minimum wage. Any deviation from the established wage floor must be documented in conformity with the requirements set forth in the Act. If the Authority, following a public hearing, determines that job creation or retention is not part of the public purpose of the subsidy, the wage and job goal may be set at zero.
  - D. Economic Development. Projects should promote one or more of the following:

1. Encourage economic and commercial diversity within the community;
2. Contribute to the establishment of a critical mass of commercial, industrial or manufacturing development within the area;
3. Provide basic goods and services, increase the range of goods and services available or encourage fast-growing or high technology business location or expansion;
4. Promote redevelopment objectives and removal of blight, including pollution cleanup;
5. Promote the retention or adaptive reuse of buildings of historical or architectural significance;
6. Promote additional or spin-off development within the community; or
7. Encourage full utilization of existing or planned infrastructure improvements.

#### **SECTION IV. MINIMUM REQUIREMENTS.**

- 4.01 In order for a recipient to be eligible for a business subsidy, the following minimum requirements must be met:
- A. Compliance with Sections 2.01 A, B and C.
  - B. Compliance with Section 3.02 B.
  - C. Compliance with Section 3.02 C or D.

#### **SECTION V. COMPLIANCE AND REPORTING REQUIREMENTS.**

- 5.01. Any subsidy granted by the Authority will be subject to the requirement of a public hearing, if necessary.
- 5.02 It will be necessary for both the recipient and the Authority to comply with the reporting and monitoring requirements of the Act.
- 5.03. A recipient may be authorized to move from Rosemount within five years of the benefit date only if, after a public hearing, the Authority approves the request to move.

Adopted this 6th day of March, 2004, by the Rosemount Port Authority.

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President

ATTEST:

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Executive Director

**ROSEMOUNT PORT AUTHORITY PROCEEDINGS  
REGULAR MEETING  
APRIL 6, 2004**

Pursuant to due call and notice thereof, a regular meeting of the Rosemount Port Authority was duly held on April 6, 2004, at 6:00 p.m. in the Council Chambers at City Hall, 2875 145th Street West, Rosemount, Minnesota.

Chairperson Baxter called the meeting to order with Commissioners Droste, DeBettignies, Tentinger, Riley, and Strayton. Also present were Executive Director Verbrugge, Deputy Director Lindquist, City Attorney LeFevere, and Tax Increment Financing Consultant Mark Ruff from Ehlers and Associates.

**CONSENT AGENDA**

**MOTION** by Riley to approve the minutes of February 24, 2004 Work Session, the minutes of March 1, 2004 Regular Meeting and the Bills and Invoices. **Second** by Droste. Ayes: Six. Nays: None. Motion carried.

**PUBLIC HEARING  
BUSINESS SUBSIDIES POLICY**

Chairperson Baxter opened the Public Hearing for review of the Business Subsidies Policy. The Affidavits of Publication and Notice were on file.

Deputy Director Lindquist reported that the legislature originally enacted the Business Subsidies Act in 1999 and made substantial changes in 2000 which specifically require that the criteria may not be adopted on a case-by-case basis. Instead, it must set specific minimum requirements that recipients must meet in order to be eligible to receive business subsidies. The Port Authority discussed this at its March 23, 2004 work session which resulted in the proposed amendments. This policy will be used to evaluate projects for financial assistance. One of the criteria is to promote job creation and job retention in the community. Job wages were also looked at and staff recommended setting the requirement at 150% of the federal minimum wage allowing negotiations with business in the future for higher wages.

Chairperson Baxter closed the public hearing after discussion and there were no comments from the audience.

Commissioner Riley questioned if the City can negotiate for higher wages and more jobs through the development review process. Lindquist confirmed that if that is the City's primary reason for granting subsidy it would be called for in the development agreement.

**MOTION** by DeBettignies to approve the Rosemount Port Authority Business Subsidy Criteria Policy with amendments to sections 5.01 and 5.03. **Second** by Riley. Ayes: Droste, Tentinger, DeBettignies, Baxter, Riley, Strayton. Nays: None. Motion carried.

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