

CITY OF STAPLES/STAPLES EDA
COUNTIES OF TODD AND WADENA
STATE OF MINNESOTA

Resolution No. 1228/EDA-6

BE IT RESOLVED by the City Council of the City of Staples, Minnesota, sitting in joint session and acting as both the City Council and the Board of Commissioners of the Staples Economic Development Authority, as follows:

Amended and Restated
Business Subsidy Policy

This Policy is adopted for purposes of the business subsidies act (the, "Act"), which is Minnesota Statutes, Sections 116J.993 through 116J.995, and amends and restates the business subsidy policy adopted on August 24, 1999. Terms used in this Policy are intended to have the same meanings as used in the Act, and this Policy shall apply only with respect to subsidies granted under the Act if and to the extent required thereby.

While it is recognized that the creation of good paying jobs is a desirable goal which benefits the community, it must also be recognized that not all projects assisted with subsidies derive their public purposes and importance solely by virtue of job creation. In addition, the imposition of high job creation requirements and high wage levels may be unrealistic and counter-productive in the face of larger economic forces and the financial and competitive circumstances of an individual business

With respect to subsidies, the determination of the number of jobs to be created and the wage levels thereof shall be guided by the following principles and criteria:

- The specific wage floor for each project will be the Federal minimum wage. The City/EDA may deviate from this criteria by documenting in writing the reasons for the deviation and attaching a copy of that document to the next annual report to DTED.
- If the creation or retention of jobs is determined by the City/EDA not to be a specific goal of the subsidy, the subsidy may be approved without such goals after public hearing on that question.
- In cases where the objective is the retention of existing jobs, the recipient of the subsidy shall be required to provide reasonably demonstrable evidence that the loss of those jobs is imminent.
- The setting of wage and job goals must be sensitive to prevailing wage rates, local economic conditions, external economic forces over which neither the grantor nor the recipient of the subsidy has control, the individual financial resources of the recipient and the competitive environment in which the recipient's business exists.
- Because it is not possible to anticipate every type of project which may in its context and time present desirable community building or preservation goals and objectives, the governing body must retain the right in its discretion to approve projects and subsidies which may vary from the principles and criteria of this policy.

Adopted on April 22, 2003, by the Staples City Council and the Board of Commissioners of the Staples Economic Development Authority.

Mike Goff, Mayor & President of the
Staples EDA

Attest: _____
Phil Lindaman, City Clerk and
Secretary of the Staples EDA