

**RESOLUTION  
OF THE COUNTY  
OF  
MURRAY**

To State

Its Resolution # 2007-11-06-02 entitled  
**“Business Subsidy Policy and Criteria”**

**RESOLVED** by the Board of the County of Murray that it shall adopt the following **Business Subsidy Policy and Criteria**:

**Preamble.** Whenever the County of Murray invests public funds or agrees to voluntarily forfeit tax or other revenue that benefit private development projects, those projects should create the greatest number of Full Time Equivalent (FTE) jobs that pay a living wage possible for the residents of the County and the surrounding region. County policy makers and economic development agents must keep the critical need for living wage FTE 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 accomplish the following on behalf of the County of Murray:

1. Enhance economic growth in this area
2. Create high quality job growth in this area
3. Retain high quality jobs in this area
4. Stabilize 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.

**Principles of Business Subsidy Implementation.** The County shall target its business subsidy assistance to businesses that demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees and to County residents, where applicable, by giving priority to those businesses over businesses that have not traditionally paid living wages.

The County shall focus its 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 individual(s) who is/are authorized by this Policy to execute business subsidy agreements on behalf of the County of Murray.

**“JOBZ Business Subsidy”** means 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. JOBZ Business Subsidies shall include:

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.

**“Business Subsidy”** means 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 M.S. §§ 116J.993 - 116J.995. Business subsidies shall include, but not be limited to:

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

Business subsidies do not include the following:

1. assistance of less than \$25,000.
2. assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of businesses, size, location or similar general criteria;
3. public improvements to buildings or lands owned by the County that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. property polluted by contaminants being redeveloped as defined in M.S. § 116J.552, subd. 3.
5. assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance to designated historic preservation sites or districts, provided that the assistance is equal to or less than 50% of the total cost of the development;
6. assistance to provide job readiness and training services;
7. assistance for housing;
8. assistance for pollution control or abatement, including assistance from a TIF hazardous substances subdistrict;
9. assistance for energy conservation;
10. tax reductions resulting from conformity with federal tax law;
11. workers compensation and unemployment compensation;
12. benefits derived from regulation;
13. indirect benefits derived from assistance to educational institutions;
14. funds from bonds allocated under M.S., Chapter 47A refunding bonds and 501(c)(3) bonds;
15. assistance for collaboration between a Minnesota higher education institution and a business;
16. assistance from a tax increment financing soils condition district as defined under M.S.469.174, subd.19;
17. redevelopment when the Recipient’s or Qualified Business’ investment in the purchase of the site and in site preparation is 70 percent or more of the assessor’s current years estimated market value;
18. general changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. federal assistance until the assistance has been repaid to and reinvested by the local governmental unit;
20. business loans or loan guarantees of \$75,000 or less; and
21. federal loan funds provided through the U.S. Economic Development Administration.

**“Business Subsidy Report”** means the annual reports submitted each year for each business receiving a business subsidy in the community. The report is submitted by the LGU in order 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 County bases its decision to award any business subsidy to a private business or development project establishing a business and creating jobs in the County of Murray.

**“DEED”** means Minnesota Department of Employment and Economic Development.

**“Economic Development Agent”** means the county department, local or regional economic development agency or other authorized entity that is empowered to solicit, negotiate and form business subsidy agreements on behalf of the County of Murray. The Economic Development Agent for the County of Murray shall be the Murray County Economic Development Authority (EDA), hereinafter “Agent”.

**“Health Insurance”** means basic health insurance which shall include: employer 100% premium payment for individual coverage or 80% premium payment for family coverage; employer minimum payment for 80% of office visits, emergency care, surgery and prescriptions; a maximum yearly deduction of \$1,000, and maternity coverage.

**“Living Wage Job”** shall mean a job which pays wages, including benefits not mandated by law, that total at least the rate of 110% of the current poverty level for a family of four.

**“Local Governmental Unit”** hereinafter LGU, means the county or county economic development authority.

**“Operation Start Date”** shall mean the date by which the business begins its operations in the zone as evidenced by constructing a facility or relocating to an existing building in a facility and beginning revenue generating operations and/or hiring employees.

**“Qualified Business”** for a JOBZ Business Subsidy 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, A, item 8 (c) of this policy; 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 policy.

**“Recipient”** means any business entity that receives a business subsidy as defined by M.S. § 116J.993, and that has signed a Business Subsidy Agreement with the county.

**“Relocating Business”** A business relocating to a JOB Zone 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 increase full-time or full-time equivalent employment in the first full year of operation within the job opportunity building zone by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and provides for repayment of all tax benefits if these requirements 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 County of Murray 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. **Business Subsidy Policies.** The County of Murray adopts the following:

1. Any time the County of Murray provides a business subsidy to a Qualified Business or Recipient, that business is subject to the wage levels, job creation and other criteria set forth in this policy and specified in the Business Subsidy Agreement made with the LGU. 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 supersede.
2. The recipient, in the case of a quantifiable non-JOBZ business subsidy, shall create and retain at least one (1) full-time living wage job and which provides employer paid basic health insurance. This job shall be created not later than one (1) year after operations begin.
3. The qualified business, in the case of a JOBZ business subsidy that is non-quantifiable at the time of the Business Subsidy Agreement, must create and retain for the period of the Job Zone duration or until December 31, 2015, whichever is shorter, at least one (1) FTE job that pays a living wage.
4. The recipient or qualified business shall pay each employee compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.
5. In the case of a JOBZ Business Subsidy, the qualified business shall be identified in the Business Subsidy Agreement as a:
  - a. Trade or business located in and operating in a JOB Zone at the time of Zone designation; **OR**
  - b. New trade or business start-up located with the subzone; **OR**
  - c. Business expanding 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 a Murray County subzone; **OR**
  - d. A business relocating from another state; **OR**
  - e. A business relocating from another Minnesota non-Zone location.
6. The County of Murray 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.
7. The County of Murray authorizes the Murray County EDA board chair and/or the Murray County Economic Development Director and/or the Board Chair of the County of Murray to act as its Authorized Business Subsidy Signatory to execute business subsidy agreements on behalf of the County of Murray.
8. **Requirements of businesses.** The County of Murray shall require all businesses receiving a business subsidy to comply with the following:
  - a. The business shall attend a properly noticed public hearing shall be held by the County as provided by M.S. § 116J.994, when the value of the subsidy does or is expected to exceed \$100,000 from local sources. The purpose of the hearing shall be held to identify and/or define the criteria that the qualified business or recipient shall 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 subsidy provided, 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.
  - b. 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 the duration of the job zone term.
  - c. 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 shall:

- (1) Commit to signing a Relocation Agreement with DEED; and
  - (2) Reduce employment at the non-Zone location starting one year before and ending one year after beginning operations in the Zone where its employees in the Zone are engaged in the same line of business as the employees at the location where it reduced employment; and
  - (3) Increase full-time or full-time equivalent employment in the first full year of operation within the job opportunity building zone by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and provides for repayment of all tax benefits if these requirements are not met.
- d. In the case of a JOBZ Business Subsidy, the business shall identify an operation start date when business operations for the proposed qualified business are planned to begin in the zone. The date when business operations begin is called the “operation start date”.



PROCEEDINGS OF THE MURRAY COUNTY BOARD OF COMMISSIONERS  
MURRAY COUNTY GOVERNMENT CENTER – SLAYTON, MINNESOTA  
NOVEMBER 6, 2007 – 9:00 a.m.

At 11:30 a.m. the Board Chair called a public hearing for the Business Subsidy Policy to order.

Amy Hoglin, Economic Development Director, explained that Murray County requires a Business Subsidy Policy to make any disbursement from the Economic Development Revolving Loan Fund greater than \$100,000.

There was no public written or verbal comment.

The Board Chair closed the public hearing at 11:34 a.m.

Commissioner Gerald Magnus offered the following resolution and moved for its adoption:

RESOLUTION NO. 2007-11-06-02  
A Resolution to Adopt the Murray County  
Business Subsidy Policy and Criteria

BE IT RESOLVED, By the Murray County Board of Commissioners, that the Business Subsidy Policy and Criteria is hereby adopted.

The foregoing resolution was duly seconded by Commissioner John Giese and thereupon being put to a vote all members of the Board voted for its adoption.

I, Heidi E. Winter, County Auditor/Treasurer of the County of Murray, State of Minnesota, do hereby certify that the foregoing copy represents a true and correct copy of the original thereof on file in my office.

Dated: January 14, 2008

  
Murray County Auditor-Treasurer

**Printer's Affidavit of Publication**

STATE OF MINNESOTA]
] ss.
COUNTY OF MURRAY ]

Sheila Crowley, being duly sworn, on oath says that he/she is the publisher or authorized agent and employee of the publisher of the newspaper known as Murray County News and has full knowledge of the facts which are stated below:

(A) The newspaper has complied with all of the requirements constituting qualification as a qualified newspaper, as provided by Minnesota Statutes 331A.02, 331A.07, and other applicable laws, as amended.

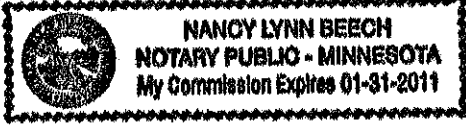
(B) The printed NOTICE OF PUBLIC HEARING for the purpose of considering the adoption of a Business Subsidy Policy for Murray County which is attached, was cut from the columns of said newspaper, and was printed and published once each week for which is attached, was cut from the columns of said newspaper, and was printed and published once each week for two successive weeks; it was first published on Wednesday, the 24th of October, 2007, and was thereafter printed and published on every Wednesday to and including Wednesday, the 31st of October, 2007; and printed below is a copy of the lower case alphabet from A to Z, both inclusive, which is hereby acknowledged as being the size and kind of type used in the composition and publication of the notice:

abcdefghijklmnopqrstuvwxy

By: Sheila G. Crowley
Title: Editor

Subscribed and sworn to before me on this 9th day of November, 2007.

Nancy L. Beech
Notary Public, Minnesota
My Commission expires: 1-31-2011



RATE INFORMATION

- (1) Lowest Classified rate \$9.90/column inch paid by commercial users for comparable space
(2) Maximum rate allowed by law for the above matter \$9.90/column inch
(3) Rate actually charged for the above matter \$6.05/column inch

NOTICE OF PUBLIC HEARING
Adoption of a Business Subsidy Policy for Murray County

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held for the purpose of considering the adoption of a Business Subsidy Policy for Murray County. The policy will list criteria for the awarding of business subsidies by Murray County and/or the Murray County Economic Development Authority. The public hearing will be held on November 6, 2007 at 11:30 a.m. in the Murray County Commissioners Room of the Murray County Government Center, 2500 28th Street, Slayton, Minnesota. Any person wishing to offer comments to the Board of Commissioners will be provided an opportunity to speak. Any written communications regarding this matter may be submitted to Heidi Winter, Murray County Auditor/Treasurer, PO Box 57, Slayton, MN 56172. All such written submittals shall be received in the Auditor's Office by 5:00 p.m., Monday November 5, 2007.

Information regarding the proposed policy may be obtained by contacting Amy Höglin, Murray County Economic Development Director, at 507-836-6023.

S. 10/24 & 10/31, 2007