

# **CHISAGO COUNTY BUSINESS SUBSIDY POLICY AND CRITERIA**

## **1. PURPOSE AND AUTHORITY**

- 1.01 The purpose of this policy is to establish a process for the application for and approval of business subsidies in Chisago County. These criteria shall apply to both the Chisago County Board of Commissioners and Chisago County Housing & Redevelopment Authority-Economic Development Authority (HRA-EDA) when considering applications for business subsidies, as defined in Minnesota Statutes §116J.993, Subdivision 3, for private development within the County. These criteria shall be used as a guide for processing and reviewing applications requesting business subsidies.
- 1.02 Chisago County is authorized to grant business subsidies pursuant to Minnesota Statutes §116J.993 through 116J.995. Amendments to these criteria are subject to public hearing requirements pursuant to Minnesota Statutes §116J.993 through 116J.995.

## **2. STATUTORY LIMITATIONS**

- 2.01 All applications or requests for business subsidies must comply with all applicable state statutes.
- 2.02 The definitions and minimum criteria set forth in Minnesota Statutes §116J.993 through 116J.995 are hereby adopted and incorporated herein by reference.
- 2.03 The County's ability to grant business subsidies are ultimately governed by the limitations established in Minnesota Statutes §116J.993 through 116J.995.

## **3. APPLICATION REQUIREMENTS**

- 3.01 Each request for a business subsidy shall be submitted in writing to Chisago County HRA-EDA on a form provided by the HRA-EDA.

#### **4. PUBLIC POLICY REQUIREMENTS**

- 4.01 Any application for a business subsidy must meet a public purpose which may include, but may not be limited to increasing the tax base.

#### **5. BUSINESS SUBSIDY CRITERIA**

The following criteria will be considered by Chisago County when reviewing applications for business subsidies in accordance with Minnesota Statutes. However, it should not be presumed that a project meeting these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any applicant, business, proposed project or potential developer.

- 5.01 The ultimate benefit to the County must be at least equal to the costs of the business subsidy.
- 5.02 The business subsidy may only be provided within debt limit guidelines and other appropriate financial requirements and policies.
- 5.03 The project for which a business subsidy is sought must meet at least two of the following criteria:
- a) Increase or preserve tax base;
  - b) Create or retain jobs (retention considered only when job loss is imminent and demonstrable);
  - c) Provide or help acquire, finance or construct public facilities;
  - d) Help develop or renew blighted areas;
  - e) Help provide access to services for residents of the County;
  - f) Retain the business if it is at risk of relocating outside of the County.
- 5.04 The applicant, proposed project or potential development must comply with any applicable Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration at the time of approval. The applicant shall demonstrate evidence of support from the local unit of government.
- 5.05 Prior to consideration of a business subsidy request, the County may require an independent underwriting of the proposed project or potential development.
- 5.06 Any applicant requesting a business subsidy may be required to demonstrate past successful general development capability as well as specific capability in the type and size of project or development being proposed.

- 5.07 The applicant must retain ownership of the project at least long enough to stabilize its occupancy, to establish the project management, and if applicable, to initiate repayment of the business subsidy.
- 5.08 A recipient of business subsidy shall continue operations at the site where the subsidy is used for at least five (5) years after the benefit begins.
- 5.09 The business subsidy funding will be set at the lowest level of funding and for the shortest period of time which is feasible to meet the objectives.
- 5.10 Retail, service, or recreation businesses will be considered for business subsidies only if the project meets at least two of the following:
  - a) Creates quality employment;
  - b) Creates tax base;
  - c) Provides a necessary service not already provided in the community;
  - d) Finances, constructs or provides public infrastructure; or,
  - e) Redevelops blighted areas.
- 5.11 The impact of the project on surrounding areas will be taken into consideration. Impacts include but not limited to: Pollution, traffic, sewer and water, parks, and need for additional government services such as law enforcement.
- 5.12 Equal consideration will be given to both the expansion or growth of existing business and new businesses proposing to relocate in the County.
- 5.13 To be considered as a redevelopment project at least ninety (90) percent of the business subsidy allowed by the County must be expended by the applicant to eliminate blight conditions which justify creation of a redevelopment district.

**6. APPLICATIONS WILL RECEIVE PRIORITY FOR:**

- 6.01 Developments that create quality employment. The minimum wage threshold shall be \$12.00 per hour plus benefits for new jobs created.
- 6.02 Projects which include manufacturing, distribution, or technology-based firms or businesses which employ a majority of professional or skilled labor.
- 6.03 Business at risk of locating out of state or the County.
- 6.04 Projects constructed of block, engineered concrete, brick or engineered steel buildings (not pole) which contain decorative accessory materials (brick).

## **7. REVIEW AND APPROVAL**

- 7.01 The HRA-EDA Board shall review each application and make a recommendation to the County Board as to the granting of a business subsidy.
- 7.02 The County Board will make the final decision on granting the business subsidy. County Board will provide adequate notice of and hold a public hearing on any matter relating to granting a business subsidy of \$25,000 or more.
- 7.03 The preferred term of business subsidy is five years or less. The County Board may approve longer or shorter terms at its discretion.
- 7.04 The County may limit the amount of the business subsidy:
- a) To a specific dollar amount per year or in total;
  - b) To the increase in property taxes resulting from improvement of the property;
  - c) To the increases in property taxes resulting from increases in the market value or tax capacity of the property;
  - d) In any other manner the county determines are appropriate;
  - e) The County may not abate tax attributable to the value of the land or the area wide tax under Minnesota Statutes §276A or 473F.