

CHISAGO COUNTY TAX ABATEMENT – TAX INCREMENT FINANCING INVESTMENT POLICY

1. PURPOSE AND AUTHORITY

- 1.01 The purpose of this policy is to establish the application process and the criteria for tax abatement and tax increment financing investment applications in Chisago County. This process and these requirements apply to both the Chisago County Housing & Redevelopment Authority-Economic Development Authority (HRA-EDA) and the Chisago County Board of Commissioners for reviewing and considering said applications.
- 1.02 Chisago County is authorized to make tax increment financing investments or to provide tax abatement pursuant to Minnesota Statutes §469.1812 through §469.1815.

2. APPLICATION REQUIREMENTS AND PROCESS

- 2.01 Each request for tax abatement and tax increment financing investment shall be submitted in writing to Chisago County HRA-EDA on a form provided by the HRA-EDA.
- 2.02 Chisago County HRA-EDA shall review each application and make recommendations to the Chisago County Board.
- 2.03 Chisago County Board of Commissioners shall hold a public hearing on the tax abatement or tax increment financing investment application following which the investment may be approved. The investment will be implemented only upon passage of a resolution and Tax Abatement Agreement or Tax Increment Financing (TIF) Development Agreement specifying the terms of the investment.

3. PUBLIC POLICY REQUIREMENTS

Each application requesting tax abatement or tax increment financing investment from the County must:

- 3.01 Demonstrate in the application that the benefits to the County will be at least equal to the costs of the tax abatement or tax increment financing investment.
- 3.02 Demonstrate support from the local unit of government.
- 3.03 Demonstrate that the project will benefit the County in at least two of the following ways:
 - a) Increase or preserve tax base;
 - b) Create or retain jobs (retention only considered 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.

4. APPLICATION CONSIDERATION

The following criteria will be considered by Chisago County when reviewing applications for tax abatement or tax increment financing investment 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, community, proposed project or developer.

- 4.01 The County may consider retail or service businesses for tax abatement or tax increment financing investment if it is determined the proposed project accomplishes at least two of the following goals:
 - a) Creates quality employment;
 - b) Creates tax base;
 - c) Provides or helps acquire, finance or construct public facilities;
 - d) Helps develop or renew blighted areas;
 - e) Helps provide access to services for residents of the county; or
 - f) Retains a business if it is at risk of relocating outside of the county.
- 4.02 The County may consider the impact of the project on the surrounding area including but not limited to: Pollution; traffic; sewer and water; parks; and, need for additional government services such as law enforcement.

- 4.03 The preferred term of tax abatement or tax increment financing investment will be 5 years or less. The County Board can approve longer or shorter terms at its discretion.
- 4.04 The County may limit the amount of the tax abatement or tax increment financing investment:
- 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 is 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.
- 4.05 Equal consideration may be given to businesses currently located in the County which are expanding and adding on to their existing building and new businesses seeking to locate in the County. Preference may be given to businesses that demonstrate a legitimate risk of relocating in another state.
- 4.06 Tax abatements and tax increment financing investments will only be provided within debt limit guidelines and other appropriate financial requirements and policies.

5. APPLICATIONS WILL RECEIVE PRIORITY FOR:

- 5.01 Priority will be given to projects that create quality employment. “Quality employment” for the purpose of this policy is defined as a job which pays \$12.00 per hour or more, plus benefits.
- 5.02 Preference will be given to projects which include manufacturing, distribution, or technology-based firms or business which employ a majority of professional or skilled labor.
- 5.03 Preference will be given to projects constructed of block, engineered concrete, brick or engineered steel buildings (not pole) which contain decorative accessory materials (brick).
- 5.04 The applicant, proposed project or potential development must comply with the applicable Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration at the time of approval.

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- 5.05 To be considered as a redevelopment project at least 90 percent of the tax abatement or tax increment financing investment by the County must be expended by the applicant to eliminate blight conditions which justify creation of a redevelopment district.