CRITERIA FOR AWARDING BUSINESS SUBSIDIES
Carver County Community Development Agency
Adopted December 16, 2010

A. Definitions. The following definitions shall apply to this policy

1. "Act" means Minnesota Statutes, Sections 116J.993 through 116J.995.

2. "CDA" means the Carver County Community Development Agency.

3. "Policy" means this policy as approved by the Carver County Community Development Agency for business subsidies.

4. "Recipient" means any for-profit or nonprofit business entity that receives a business Subsidy. Only nonprofit entities with at least 100 full-time equivalent (FTE) positions and with a ratio of highest to lowest paid employee that exceed ten to one, determined on the basis of FTE positions, are included in this definition.

5. "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, other obligation, or any preferential use of government facilities given to a business. A subsidy of less than $150,000 is not subject to the requirements in this policy; further exemptions are defined in Minnesota Statutes, Section 116J.993, Subd. 3

B. Requirements. The following requirements shall apply to all recipients of a Business Subsidy from the CDA:

1. The recipient must be located in or moving into Carver County, Minnesota.

2. Proposals from a potential recipient can be for any business purpose except refinancing of existing debt (other than CDA debt that will improve its collateral position or loan repayment ability).

3. Proposals that utilize tax increment financing must be for eligible uses as defined in Minnesota Statutes, Section 469.174 through 469.179.

4. Recipients shall enter into a subsidy agreement with the CDA that includes, at a minimum, the requirements and information set forth in Section 116J.994, Subds. 3, 4 and 6, and that requires the recipient to provide reports as described in Section 116J.994, Subd. 7.

5. Subsidies in the form of grants shall be structured as deferred or forgivable loans from the CDA to the recipient.

6. A subsidy must have a defined public purpose, which may include, but is not limited to, increasing the tax base of Carver County; job retention may only be used as a public purpose in cases where job loss is imminent and demonstrable.

7. For subsidies targeted to job creation, the CDA will establish wage and job goals in each subsidy agreement based on such factors as the type of jobs, local economic conditions, and the overall public purpose(s). Wage goals for jobs created must be no less than 150% of the federal minimum wage.

8. A public hearing shall be held in accordance with the Act before the CDA agrees to provide any subsidy that exceeds $150,000.

9. A recipient must pay back all or a portion of a subsidy that fails to meet goals as established in the subsidy agreement as required in Section 116J.994, Subd. 6 of the Act.

C. **Criteria.** The following criteria shall be used to determine whether or not a qualified public purpose has been met for a proposed recipient. In awarding a subsidy, the CDA will consider each application in relationship to one or more of the following:

1. Subsidies will help achieve economic diversity in Carver County, including an appropriate mix of businesses as determined by a local governing body.

2. Subsidies will result in high-quality job growth within Carver County based on a reasonable public investment per FTE position.

3. Subsidies will result in job retention, provided the recipient demonstrates that job loss is imminent.

4. Subsidies will create a stabilizing influence within a community, including development and redevelopment opportunities that stimulate further economic investment.

5. Subsidies will improve the long-term tax base of an area by investing public dollars into identified needs (e.g., infrastructure).

6. Subsidies will provide housing opportunities to low and moderate income households and to those persons that work in Carver County.

7. This Policy and criteria are being adopted in accordance with the Act and will be interpreted consistently with the terms of the Act. Subsidies may vary from this Policy as the CDA retains the right to make decisions based on unique project conditions and/or objectives of corresponding governing bodies. In such situations, written documentation is required to explain deviation from this Policy.

CARVER COUNTY COMMUNITY DEVELOPMENT AGENCY

RESOLUTION NO. 10-76

Amending Certain Criteria for Awarding Business Subsidies for the Carver County CDA

WHEREAS, Minnesota Statutes, Sections 1116J.993 through 116J.995 (the "Act") require as a condition precedent to the award by a governmental unit of a business subsidy, as defined in the Act, the adoption of criteria for awarding business subsidies; and

WHEREAS, on the date hereof, the Carver County Community Development Agency (the "CDA") has held a public hearing for which notice was published on or before April 22, 2008 regarding the adoption of Criteria for Awarding Business Subsidies; and

WHEREAS, on May 8, 2008 the Carver County Community Development Agency Board of Commissioners adopted the Carver County CDA Business Subsidy Policy and filed it with the State of Minnesota Department of Employment and Economic Development as required by Minnesota State Statutes; and

WHEREAS, since its adoption date of May 8, 2008 the State of Minnesota Legislature has made some changes to state business subsidy law that have made the existing CDA Businesses Subsidy Policy out of date and in need of updating to keep in compliance.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Carver County Community Development Agency, that the amendments to the Carver County CDA Criteria for Awarding Business Subsidies (Business Subsidy Policy) are hereby adopted in the form on file with the CDA and presented to the Board on the date hereof.

Adopted by the Carver County Community Development Agency this 16th day of December, 2010.

Chair

Attest:

Secretary