

ADMINISTRATIVE POLICY #15
BUSINESS SUBSIDY CRITERIA

I. Purpose

This document includes the criteria to be considered by the City of Kenyon (“City”) to evaluate requests for business subsidies. It is the intent of the City in adopting these criteria to comply with Minnesota Statutes, Sections 116J.993-116J.995 (the “Act”). The City hereby adopts the definitions contained in the Act for application in the criteria.

II. Goals and Objectives

It is the City’s intent to advance the following goals and objectives in granting business subsidies:

- a. All projects must be consistent with Kenyon’s comprehensive plan and any other similar plan or guide for development of the community.
- b. Business subsidies must be justified by evidence that the project cannot proceed without the benefit of the subsidy. If tax increment financing is used to grant a subsidy, the grantee must demonstrate compliance with all statutory requirements of the TIF Act, including the “but for” test. The grantee will be required to provide all documentation necessary for the City to make the requisite findings under the TIF Act and the Act.
- c. Grantees will be required to enter into an agreement with the City that is consistent with statutory requirements, including a commitment to remain in business at the site for a minimum of five years after the benefit date, unless the City approves a request by the Grantor to move after holding a public hearing on the matter. In addition, the Grantor must comply with the specific jobs and wages

goals established for the project. All jobs created to meet job and wage goals established for a project must pay at least the minimum wage.

III. Business Subsidy Criteria

The City recognizes that every proposal is unique. Nothing in these criteria shall be deemed to be an entitlement or shall establish a contractual right to a subsidy. The City reserves the right to modify these criteria from time to time and to evaluate each project as a whole. The following criteria shall be utilized in evaluating a request for a business subsidy:

- a. Increase in tax base. While an increase in the tax base cannot be the sole grounds for granting a subsidy, the City believes it is a desirable condition for any subsidy.
- b. Jobs and Wages. It is the City's intent that the grantee create the maximum number of livable wage jobs at the site. This may include jobs to be retained but only if job retention is imminent and demonstrable.
- c. Economic Development. Projects should promote one or more of the following:
 1. Economic and commercial diversity within the community;
 2. Establishment of a critical mass of commercial development within an area;
 3. Provision of basic goods and services, an increase in the range of goods and services available, or encouragement of fast-growing businesses;
 4. Redevelopment objectives and removal of blight, including pollution cleanup;
 5. Retention or adaptive reuse of buildings of historical or architectural significance;

6. Additional or spin-off development within the community;
 7. Full utilization of existing or planned infrastructure improvements.
- d. Any deviation from these criteria will require a written explanation, a copy of which will be submitted to the Commissioner of the Minnesota Department of Trade and Economic Development.

IV. Compliance and Reporting Requirements.

- a. Any subsidy granted by the City will be subject to the requirement of a public hearing, if necessary, and must be approved by the Kenyon city council.
- b. It will be necessary for both the grantee and the City to comply with the reporting and monitoring requirements of the Act.

Adopted by the City Council: January 9, 2001