RESOLUTION ESTABLISHING BUSINESS SUBSIDY POLICY

WHEREAS, The Business Subsidies Act (the “Act”) is codified as Minnesota Statutes, Sections 116J.993 to 116J.995; and

WHEREAS, These Statutes require that a county and/or its agencies providing business subsidies to private and non-profit organizations must adopt criteria for wage and job goals that comply with the Act, including a specific wage floor, prior to awarding future business subsidies; and

WHEREAS, The County of Carlton and its agencies have an established history of providing public financial assistance or business subsidies to private enterprises meeting certain public goals and objectives; and

WHEREAS, The creation of jobs and retention of the County’s employment base have been long-standing goals which the County has and continues to aggressively pursue; and

WHEREAS, The County of Carlton conducted a public hearing at its July 23rd, 2012, meeting for the establishment of a business subsidy policy, including criteria required by the Act,

NOW, THEREFORE, BE IT RESOLVED, BY THE COUNTY BOARD OF THE COUNTY OF CARLTON, STATE OF MINNESOTA, That the following policy is hereby established:

COUNTY OF CARLTON BUSINESS SUBSIDY POLICY

This policy, and included criteria, are intended to satisfy the requirements of the Business Subsidies Act (the “Act”), Minnesota Statutes, Sections 116J.993 through 116J.995.

A. Business Subsidy Public Purpose.

The public purpose of this policy shall be to accomplish the following on behalf of the County of Carlton:

1. Create high quality job growth in Carlton County;
2. Retain high quality jobs in Carlton County where job loss is clearly imminent;
3. Enhance economic growth in Carlton County by increasing jobs and the tax base;
4. Enhance the value of surrounding properties and subsidize the area.

While it is recognized that the creation of good paying jobs is a desirable goal which benefits the community, it must also be recognized that not all projects assisted with subsidies derive their public purposes and importance solely by virtue of job creation. In addition, the imposition of high job creation
requirements and high wage levels may be unrealistic and counterproductive in the face of larger economic forces and the financial and competitive circumstances of an individual business.

B. Definitions and Application.

Terms used in this policy are intended to have the same meanings as used in the Act, and this Policy shall apply only with respect to subsidies granted under the Act if and to the extent required thereby.

C. Wage Floor Criteria.

With respect to subsidies, the determination of the number of jobs to be created and the wage levels thereof shall be guided by the following principles and criteria:

1. In cases where job creation is a goal, wages for jobs created shall be no less than 150% of the federal minimum wage without health benefits or an hourly wage of 125% of the federal minimum wage with health benefits. The applicable federal minimum wage shall be the minimum wage in effect at the time the business subsidy is approved. There may be instances in which other factors, such as prevailing wage rates, local economic conditions, external economic forces over which neither the grantor nor the recipient of the subsidy has control, or the individual financial resources of the recipient and the competitive environment in which the recipient's business exists, are sufficient enough reason for the wage policy to be waived.

2. If the County deviates from the wage requirements set forth above, it will document the reason(s) for the deviation and attach a copy of the document to its next annual report to the Department of Employee and Economic Development as required by the Act.

D. Other Considerations

1. Because it is not possible to anticipate every type of project which may in its context and time present desirable community building or preservation goals and objectives, the governing body must retain the right in its discretion to approve projects and subsidies which may vary from the principles and criteria of this Policy on a case by case basis, considering its importance and benefit to the community from all perspectives, including created or retained employment positions.

2. If a particular project does not involve the creation of jobs, but it is nonetheless found to be worthy of support and subsidy, it may be approved without any specific job or wage goals, as may be permitted by applicable law.

3. In cases where the objective is the retention of existing jobs, the recipient of the subsidy shall be required to provide specific and demonstrable evidence that the loss of those jobs is imminent.
4. The recipient must enter into a subsidy agreement as required by the Act.

5. The recipient must demonstrate that the proposed development or redevelopment would not occur without the requested subsidy.

6. The recipient must demonstrate that it has the financial qualifications and experience to undertake and complete the proposed development or redevelopment in accordance with the terms of the agreements between the County, or other responsible county agency, and the recipient.

7. The recipient’s proposed project must be consistent with the County Comprehensive Plan and local government Zoning Ordinances or required changes to the plan and ordinances must be under active consideration by the County at the time of approval.

8. The subsidy must be permitted under applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements, and policies.

9. The subsidy request should maximize the amount of private investments in the proposed development or redevelopment.

10. The Carlton County EDA board chair and/or the Carlton County Economic Development Director and/or the Board Chair of the County of Carlton shall act as the Authorized Business Subsidy Signatory to execute business subsidy agreements with the recipient on behalf of the County of Carlton in conformity with this Policy and the Act.


Chairman

ATTEST:

Clerk