



**City of Columbia Heights**  
**And**  
**Columbia Heights Economic**  
**Development Authority**  
**Business Subsidy Policy**

**Adopted:**

City of Columbia Heights  
Community Development Department  
590 40th Avenue NE  
Columbia Heights, MN 55421  
(763) 706-3670

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## **I. Purpose**

A. The purpose of this policy is to establish criteria in regards to the use of business subsidies by the City of Columbia Heights (the “City”) and the Columbia Heights Economic Development Authority (the “EDA”) under the general Business Subsidy Act pursuant to Minnesota Statute, Sections 116J.993 to 116J.995 (the “Business Subsidy Act”). This policy shall be used as a guide in processing, evaluating and reviewing business subsidy requests.

## **II. Authority**

A. The City and EDA’s ability to grant business subsidies is subject to the limitations established in the Business Subsidy Act.

B. Unless specifically excluded by the Business Subsidy Act, a business subsidy may include grants by a state or local government agency, loans, forgivable loans, contributions of property or infrastructure, tax increment financing, tax abatement, or any preferential use of government facilitates given to a business.

C. The City and EDA retain absolute authority and discretion, and reserve the right to amend or waive sections of this policy when necessary or appropriate. Minnesota Statute, Section 116J.994, Subd. 2, allows the City or EDA to deviate from its criteria by documenting in writing the reason for the deviation and attaching a copy of the document to its next annual report to the Department of Employment and Economic Development (the “Department”).

D. Minnesota Statute, Section 116J.993, Subd. 3 exempts certain forms of financial assistance from the requirements of the Business Subsidy Act.

E. Incentives will be offered based on the nature of the project and the benefits to the community. Meeting all or a majority of the criteria does not mean that a business subsidy will be approved by the City or EDA. The City and EDA maintain the ability to approve or deny a business subsidy at their discretion, based on the merits of the project and the overall benefit to the community, using the criteria as a means of measuring the overall benefit. Furthermore, the approval or denial of one project is not intended to set precedent for approval or denial of another project.

## **III. Definitions**

A. The City and EDA hereby adopt the definitions pursuant to Minnesota Statute, Section 116J.993.

#### **IV. Public Purpose Objectives**

A. In accordance with the Business Subsidy Act, all business subsidies shall meet a public purpose, and have a measurable benefit to the community as a whole. The City or EDA will consider the following public purpose objectives:

1. Diversification of the local economy;
2. Create high quality and diverse jobs;
3. Retention of local jobs, provided that the job retention is only used as a public purpose in cases where job loss is specific and demonstrable;
4. Removal of blight and/or encouraging redevelopment within the community to obtain high levels of property maintenance and private reinvestment;
5. Encourage additional unsubsidized private development within the community, either directly, or indirectly;
6. Facilitate and promote development on property that could not be developed without assistance;
7. Meet other uses of public policy, as adopted by the City or EDA from time to time, including but not limited to the promotion of quality urban design, quality architectural design, energy conservation, sustainable building practices, and decreasing the capital and operating costs of local government.

#### **V. Minimum Criteria**

A. In order to be eligible for a business subsidy, all business subsidy requests shall meet the following minimum criteria.

1. The business subsidy request shall be in compliance with the Business Subsidy Act.
2. The project must be consistent with the applicable provisions of the Comprehensive Plan, Zoning Ordinances, Design Guidelines, and any other land use document applicable to the project.
3. All projects must contribute to one or more of the City's goals and policies outlined in the Comprehensive Plan.

4. A business, non-profit, or developer requesting a business subsidy shall complete and submit a Business Subsidy Application, along with an application fee and escrow deposit determined by the City or EDA.
5. For the purposes of evaluating the request, the applicant shall provide all requested market and financial feasibility studies, appraisals, environmental data, private lender commitment and information provided to private lenders regarding the project, and other information requested by the City, EDA or its consultants, in order for the City or EDA to evaluate the proposal and determine whether the request is consistent with this policy.
6. The applicant shall proactively attempt to minimize the amount of public assistance needed through the pursuit of grants, innovative solutions in structuring the deal, and other funding mechanisms.
7. The applicant shall provide adequate financial guarantees to ensure completion of the project and repayment of any business subsidy (if repayment is required), unless an exception is granted by the City or EDA. These may include, but are not limited to, assessment agreements, letters of credit, personal deficiency guarantees, and mortgages.

## **VI. Job and Wage Goals**

- A. Specific job and wage goals shall be determined by the City or EDA, and shall be given consideration based upon the particular form of the business subsidy requested, nature of the development, purpose of the business subsidy, local economic conditions and other similar factors.
- B. The minimum wage for a job to be considered a new or retained job shall not be less than 120% of the State of Minnesota's Minimum Wage, exclusive of benefits.
- C. Wage goals may be set to enhance existing jobs through increased wages, which increase shall result in wages higher than the minimum under this Section.
- D. In cases where the objective is the retention of existing jobs, the applicant of the business subsidy request shall provide evidence that demonstrates the loss of jobs is imminent.
- E. The jobs to be created or retained by the applicant shall result in job creation or retention within the City.

F. In addition to other specific time frames, the job and wage goals shall contain specific requirements to be attained within two (2) years of the benefit date, unless an exception is granted by the City or EDA.

G. The project shall result in a minimum of six (6) Full Time, or Full Time Equivalent (FTE) jobs created or retained. For purposes of this policy, FTE jobs must be permanent positions with set hours, and eligible for benefits.

H. Part-Time Equivalent jobs may be counted toward the job goals.

I. After a public hearing, if the creation or retention of jobs is determined not to be a goal, the wage and job goals may be set at zero (0).

## **VII. Subsidy Agreement and Reporting**

A. In accordance with the Business Subsidy Act, a recipient shall enter into a subsidy agreement with the City or EDA. The subsidy agreement shall include, but is not limited to, the following:

1. A description of the subsidy, including the amount and type of subsidy, and the type of district if the subsidy is tax increment financing;
2. A statement of the public purpose(s) of the subsidy;
3. Measurable, specific and tangible goals for the subsidy;
4. A description of the financial obligation of the recipient if the goals are not met;
5. A statement of why the subsidy is needed;
6. A commitment to continue operations in the jurisdiction where the subsidy is used for at least five (5) years after the benefit date;
7. The name and address of the parent corporation of the recipient, if any;
8. A list of all financial assistance by all grantors for the project.

B. A recipient that fails to meet the terms of a subsidy agreement:

1. Must repay the assistance provided with interest, which is set at no less than the implicit price deflator as defined in the Business Subsidy Act, Minnesota Statute, Sections § 116J.993 to 116J.995. Repayment may be prorated to reflect partial fulfillment of goals.

2. May not receive a business subsidy from any grantor for a period of five (5) years from the date of failure or until a recipient satisfies its repayment obligation, whichever comes first.

3. A recipient may be authorized to move from the City within five (5) years of the benefit date (as defined in the Business Subsidy Act) only if, after a public hearing, the City or EDA approves the request to move. The City or EDA reserves the right to discontinue the business subsidy if the recipient moves from the City.

C. The applicant and City or EDA shall comply with the reporting requirements set forth in Section 116J.994, Subd. 7 and 8 of the Business Subsidy Act. The City or EDA shall file a report by April 1 of each year with the Department regardless of whether or not they have awarded any business subsidies.

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### Ad Proof

Enlarged

#### CITY OF COLUMBIA HEIGHTS CITY COUNCIL NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council of the City of Columbia Heights, Anoka County, State of Minnesota, will meet at or after 7:00 p.m. on Monday, February 25, 2019, at City Hall, 590 40th Avenue NE, Columbia Heights, Minnesota, to conduct a public hearing regarding the proposed adoption of a Business Subsidy Policy pursuant to Minnesota Statute 16J.993-116J.994, for the purpose of establishing Business Subsidy Criteria.

Copies of all the documents concerning the proposed Business Subsidy Policy will be on file at the Community Development Departments office at City Hall on and after the date of this notice. Any person wishing to express an opinion on this matter will be heard orally or in writing during the public hearing.

Dated: February 15, 2019

Published in the  
Sun Focus  
February 15, 2019  
905266

#### Publications:

SF Col Hgts Frid MoundsView NB

**Date:** 02/06/19

**Account #:** 414681

**Customer:** CITY OF COLUMBIA HEIGHTS

**Address:** 590 40TH AVE NE  
COLUMBIA HEIGHTS

**Telephone:** (763) 767-6580

**Fax:** (763) 706-3637

**Ad ID:** 905266

**Copy Line:** Business Subsidy Policy-PH

**PO Number:** 2.25.19PH

**Start:** 02/15/19

**Stop:** 02/15/2019

**Total Cost:** \$23.52

**# of Lines:** 33

**Total Depth:** 3.667

**# of Inserts:** 1

**Ad Class:** 150

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**Email:** [publicnotice@ecm-inc.com](mailto:publicnotice@ecm-inc.com)

**Rep No:** SE700

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### Ad Proof

Enlarged

#### COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Columbia Heights Economic Development Authority (EDA), Anoka County, State of Minnesota, will meet at or after 6:30 p.m. on Monday, March 4, 2019, at City Hall, 590 40th Avenue NE, Columbia Heights, Minnesota, to conduct a public hearing regarding the proposed adoption of a Business Subsidy Policy pursuant to Minnesota Statute 16J.993-116J.994, for the purpose of establishing Business Subsidy Criteria.

Copies of all the documents concerning the proposed Business Subsidy Policy will be on file at the Community Development Departments office at City Hall on and after the date of this notice. Any person wishing to express an opinion on this matter will be heard orally or in writing during the public hearing.

Dated: February 22, 2019

Published in the  
Sun Focus  
February 22, 2019  
908054

**Date:** 02/14/19

**Account #:** 414681

**Customer:** CITY OF COLUMBIA HEIGHTS

**Address:** 590 40TH AVE NE  
COLUMBIA HEIGHTS

**Telephone:** (763) 767-6580

**Fax:** (763) 706-3637

#### **Publications:**

SF Col Hgts Frid MoundsView NB

**Ad ID:** 908054

**Copy Line:** Business Subsidy Policy

#### **PO Number:**

**Start:** 02/22/19

**Stop:** 02/22/2019

**Total Cost:** \$23.52

**# of Lines:** 33

**Total Depth:** 3.667

**# of Inserts:** 1

**Ad Class:** 150

**Phone #:** (763) 691-6000

**Email:** publicnotice@ecm-inc.com

**Rep No:** SE700

**RESOLUTION NO. 2019-22**

**RESOLUTION OF THE CITY COUNCIL OF COLUMBIA HEIGHTS, MINNESOTA, ADOPTING THE BUSINESS SUBSIDY POLICY.**

**BE IT RESOLVED BY** the City Council (Council) of the City of Columbia Heights (City), Minnesota that it is in the interest of the City to provide business subsidies to increase the tax base, create or retain jobs, enhance economic diversity, stimulate economic development, encourage investment in redevelopment areas or to facilitate the reuse of substandard buildings or blight, environmental clean-up or the relocation of uses that are not in conformity with the City's Comprehensive Plan or Zoning Ordinances; and

**BE IT FURTHER RESOLVED** that prior to granting business subsidies, the State of Minnesota requires cities to adopt a Business Subsidy Policy after a public hearing has been held; and

**BE IT FURTHER RESOLVED** a public hearing, for which proper notice was published in the City's Newspaper of record ten days in advance of the hearing, was held on February 25, 2019; and

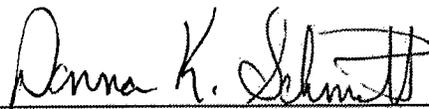
**BE IT FURTHER RESOLVED** the Business Subsidy Policy will serve as a guide in processing and reviewing applications requesting business subsidies.

**NOW, THEREFORE BE IT FINALLY RESOLVED** that the City Council of the City of Columbia Heights, Minnesota hereby approves and adopts the Business Subsidy Policy as shown in EXHIBIT A.

**ORDER OF THE CITY COUNCIL**

Passed this 25<sup>th</sup> day of February, 2019

Offered by: Buesgens  
Seconded by: Williams  
Roll Call: All Ayes



Donna Schmitt, Mayor

Attest:



Katie Bruno, City Clerk/Council Secretary

RESOLUTION NO. 2019-03

**RESOLUTION OF THE COLUMBIA HEIGHTS ECONOMIC DEVELOPMENT AUTHORITY ADOPTING THE BUSINESS SUBSIDY POLICY.**

**BE IT RESOLVED BY** the Columbia Heights Economic Development Authority (EDA) that it is in the interest of the EDA to provide business subsidies to increase the tax base, create or retain jobs, enhance economic diversity, stimulate economic development, encourage investment in redevelopment areas or to facilitate the reuse of substandard buildings or blight, environmental clean-up or the relocation of uses that are not in conformity with the City's Comprehensive Plan or Zoning Ordinances; and

**BE IT FURTHER RESOLVED** that prior to granting business subsidies, the State of Minnesota requires cities to adopt a Business Subsidy Policy after a public hearing has been held; and

**BE IT FURTHER RESOLVED** a public hearing, for which proper notice was published in the City's Newspaper of record ten days in advance of the hearing, was held on March 4, 2019; and

**BE IT FURTHER RESOLVED** the Business Subsidy Policy will serve as a guide in processing and reviewing applications requesting business subsidies.

**NOW, THEREFORE BE IT FINALLY RESOLVED** that the Columbia Heights Economic Development Authority hereby approves and adopts the Business Subsidy Policy as shown in EXHIBIT A.

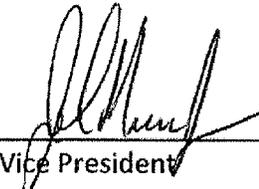
**ORDER OF ECONOMIC DEVELOPMENT AUTHORITY**

Passed this 4th day of March, 2019

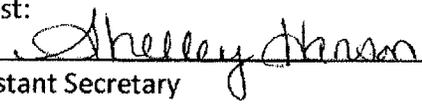
Offered by: Buesgens

Seconded by: Williams

Roll Call: All ayes

  
\_\_\_\_\_  
Vice President

Attest:

  
\_\_\_\_\_  
Assistant Secretary