

**CITY OF ROSEMOUNT
DAKOTA COUNTY, MINNESOTA**

RESOLUTION 2022-78

**A RESOLUTION AUTHORIZING THE ADOPTION OF THE
BUSINESS SUBSIDY POLICY**

WHEREAS, a Business Subsidy Policy Update has been completed pursuant to Minnesota Statutes 116J.993, Subdivision 3, for private development.;

WHEREAS, the criteria set forth in this document are guidelines only. The City Council reserves the right in its discretion to approve business subsidies that vary from the criteria stated herein if the City Council determines that the subsidy nevertheless serves a public purpose;

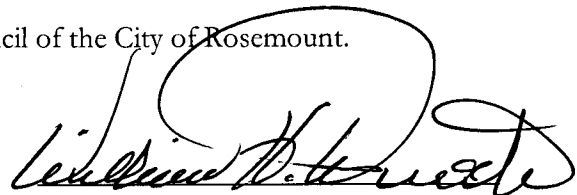
WHEREAS, The City Council may amend the business subsidy criteria at any time. Amendments to these criteria are subject to public hearing requirements pursuant to Minnesota Statutes, Section 116J.993 through 116J.994;

WHEREAS, in accordance with Business Subsidy Criteria, Business Subsidy requests must comply with applicable state statutes. The City Council ability to grant business subsidies is governed by the limitations established in Minnesota Statutes 116J.993 through 116J.994;

WHEREAS, all new projects approved by the City Council should meet the following minimum approval criteria. 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 potential developer or the City Council;

NOW THEREFORE BE IT RESOLVED, by the City Council of Rosemount, MN that the City of Rosemount adopts the Business Subsidy Policy dated June 21st, 2022.

ADOPTED this 21st day of June 2022, by the City Council of the City of Rosemount.


William H. Droste, Mayor

ATTEST:



Erin Fasbender, City Clerk



Rosemount Business Subsidy Policy

1. PURPOSE

The purpose of the Rosemount Business Subsidy Policy is to establish criteria for the granting of business subsidies, including assistance through Tax Increment Financing (TIF), Tax Abatement, and other incentive and assistance programs that may become available through the City. For the purposes of this document, the term “City” includes the Rosemount City Council, the Rosemount Port Authority, City staff, financial consultants, and legal counsel.

This policy will be used as criteria for providing subsidies, in addition to the requirements and limitations set forth by provision of Minnesota Statutes Section 116J.993 through 116J.995, as amended (the “Business Subsidy Act”). The criteria set forth in this Business Subsidy Policy shall be used as a guide in processing and reviewing an application requesting a business subsidy and shall be used in conjunction with other relevant policies of the City. The City may amend this Business Subsidy Plan at any time. Amendments to this Plan are subject to public hearing requirements contained in the Business Subsidy Act.

The City reserves the right to approve or reject projects on a case-by-case basis, taking into consideration established policies, project criteria, and demand on City services in relation to the potential benefits from the project. Meeting this policy criteria does not guarantee the award of business assistance for the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project. The City has the right to deviate from this policy. Any applicant who is not in good standing with the City regarding licenses, fees, code violations, or other City issues will not be considered for a business subsidy.

2. BUSINESS SUBSIDY CRITERIA

Because projects vary greatly in structure and public benefit derived, each project will be considered on its own merits. Consideration will be given to projects providing public benefits in two or more of the following categories:

1. The creation of new jobs/increase in total payroll. A project must create a minimum of 5 jobs. Preference will be given to higher paying jobs that also provide benefits such as health care. Projects that result in the retention of existing jobs can also be considered for business subsidies. To be considered under this job retention category, it must be demonstrated – to the satisfaction of the City - that the loss of jobs is specific and can be demonstrated.
 - a. *Potential Wage Criteria:* The project provided a business subsidy must have demonstrate one third of the full-time equivalent positions will be paying at least 200% of the State of MN Minimum Wage. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the assistance. Wage goals may also be set to enhance existing jobs through increased wages, which increase must result in wages higher than the minimum under this Section.
2. Projects that make a minimum capital investment of \$1 million.



3. "But-For" Test. When there is a substantial likelihood that the project would not go forward or would not go forward in the same capacity without the business subsidy. This criterion may be met based solely on representation of the recipient of the business subsidy.
4. Other Economic or Redevelopment Goals. If creation of jobs is determined not to be a goal of a project (and by extension wages) the proposed business subsidy must achieve specific, tangible, and measurable goals related to one or more of the following:
 - a. Projects that provide value in the forms of needed transportation and other utility infrastructure improvements including regional infrastructure in the community that would be completed in conjunction with the project.
 - b. Redevelopment projects that result in the stabilization of business districts or neighborhoods by elimination of blighting conditions.
 - c. Projects create new business or residential opportunities in Downtown Rosemount.
 - d. Projects that enhance or increase the economic diversity of the community by attracting businesses or industries not currently located in the City. New job wage requirements will apply to any new jobs created.
 - e. Projects that result in the development of affordable, senior, or workforce housing.
 - f. Multi-family housing with high-amenities considered market rate
 - g. Quality of Life based on business/projects. Those business/entities that provide a desirable good or service and address an unmet demand in the community will be considered. New job wage requirements will apply to any new jobs created.
 - h. Provides opportunity for the attraction of destination-oriented uses such as outdoor recreation, entertainment and shopping.

3. BUSINESS SUBSIDY APPLICATION PROCESS

The applicant will complete and submit the City's Application for Business Subsidy along with the required application fee (refer to the current year's adopted fee schedule). The application fee covers the City's outside financial analysis costs and the development of a business subsidy agreement by legal counsel. The applicant will also provide any additional information requested by the city. Prior to approval of a business subsidy's financing plan and when deemed appropriate by the City Council, the developer shall provide any required market and financial feasibility studies, appraisals, soil boring, information provided to private lenders for the project, and other information or data as requested.

The applicant will be liable for any additional costs beyond the initial deposit. All materials submitted to the City in connection with a business subsidy application shall become the property of the City and is subject to data privacy law. The review process shall involve at least the following:

1. Staff shall review the application materials and make a preliminary recommendation to the City regarding:
 - a. The completeness of the application, and
 - b. Whether the application meets the goals and criteria of this policy.

2. If the City concurs with the recommendation, a public hearing will be set.
3. At the time of the scheduled public hearing, staff will make a final recommendation to the City regarding the approval or denial of the subsidy application. This recommendation will be based on:
 - a. Applicable credit analysis.
 - b. Financial structure of the proposed project/application.
 - c. Legal compliance of the project/application.
4. The City will conduct the public hearing, during which it will take citizen comment on issuing the subsidy. After the public hearing is closed, the City will either approve or deny the Business Subsidy request. If the subsidy is approved, the business and the City will enter into a Business Subsidy Agreement.

4. BUSINESS SUBSIDY MINIMUM PROJECT REQUIREMENTS

All new projects approved by the City Council should meet the minimum approval criteria outlined in Section 2. 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 potential developer or the City Council. The project must be in accord with the Comprehensive Plan, Zoning Ordinances and other Economic Development Plans or required changes to the plan and ordinances must be under active consideration by the City at the time of approval. Each Tax Increment Financing subsidy and Tax Abatement will be analyzed and evaluated by the City Council. Each project shall be measured against the general criteria in Sections 1 through 5 and the specific criteria in the City Council Tax Increment Financing Policy.

5. SUBSIDY AGREEMENT

In granting a business assistance, if required by the Business Subsidy Act, the City shall enter into a subsidy agreement with the recipient that provides the following information:

- a. Wage and job goals (if applicable)
- b. Commitment to provide necessary information for reporting purposes
- c. Five-year operation commitment after the benefit date
- d. Recourse for failure to meet goals required by the Statutes

The subsidy agreement may be incorporated into a broader development agreement for a project. The assistance agreement will commit the recipient to provide the reporting information required by the Business Subsidy Act, if any.