

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

MONDAY MAY 16, 2016

ISD #15 District Offices
4115 Ambassador Blvd. NW

5:30 PM

1. Call to Order
2. Roll Call
3. Approve Minutes of January 4, 2016
4. Business Subsidy Policy
5. Economic Development Plan – Informational
6. Other Discussion
7. Adjourn

CITY OF ST. FRANCIS
ST. FRANCIS, MN
ANOKA COUNTY

ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

MONDAY, JANUARY 4, 2016

1. **Call to Order:** The EDA Commission president Chris McClish called the EDA meeting to order at 5:50 pm.
2. **Roll Call:** Members present Chris McClish, Richard Orpen, Troy Shook and Brenda Pavelich-Beck. Brian Beeman excused. Also present City Administrator Joe Kohlmann, Community Development Director Kate Thunstrom, City Attorney Scott Lepak, and City Clerk Barb Held.
3. **Approve Minutes of October 19, 2015:** Motion by Pavelich-Beck second Orpen to approve the October 19, 2015 Economic Development Authority Minutes. Motion carried 4-0.
4. **Meadows of St. Francis Townhome Lots:** City Administrator Joe Kohlmann reported the group who is interested in the townhome lots is Able companies, Inc. of Howard Lake. The closing on this property could be held during a time when EDA President Chris McClish may not be able to attend. Therefore, a resolution was drafted that would allow the City Administrator Joe Kohlmann to sign all documents on the EDA's behalf. Motion by Pavelich-Beck second Orpen ad opting Resolution 2016-01 a resolution approving the Sale of Property, Transfer of Master Declarant Rights for Master Meadows of St. Francis, Amendment of the Purchase Agreement and Granting Signatory Authority. Motion carried 4-0.
5. **Other Discussion:** EDA welcomed Kate Thunstrom to the City of St. Francis.
6. **Adjournment:** McClish adjourned the EDA meeting at 5:02 pm.

Barbara I. Held, City Clerk



CITY OF ST. FRANCIS, MINNESOTA
BUSINESS SUBSIDY POLICY

1) PUPOSE

This document sets forth the business subsidy policy and the specific criteria to be considered by the City of St. Francis (City) and the St. Francis Economic Development Authority (EDA) in evaluating requests for business subsidies. In adopting these criteria, it is the intent of the City and EDA to comply with Minnesota Statutes, Sections 116J.993-116J.995 as amended (the Act). The City and EDA hereby adopt the definitions contained in the Act for application of the criteria, and they are incorporated herein by reference. The City and the EDA have each adopted this policy and these criteria after a public hearing in accordance with the Act. Henceforth in this document the term "City" includes both the City and the EDA unless otherwise designated.

2) GOALS OF THIS POLICY

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

- a. It is the goal of the City to provide business subsidies that are consistent with the City of St. Francis Comprehensive Plan and other plans and guides adopted by the City to guide development of the community.
- b. It is the goal of the City to provide business subsidies that are consistent with the Act, including:
 - i. The project for which the business subsidy is being provided must have a "public purpose", including but not limited to, the public purposes stated in Section III below.
 - ii. The recipient must enter into a business subsidy agreement with the City that is consistent with the Act.
 - iii. The recipient must commit to remain in the site for which the business subsidy was granted for at least five (5) years from the benefit date (as defined in the Act).
 - iv. The business subsidy agreement sets forth the finding relative to the criteria contained herein, and any specific job, wage, property valuation or other goals established with respect to the business subsidy.

3) BUSINESS SUBSIDY CRITERIA

The following criteria shall be utilized in evaluating a request for a business subsidy. However, that an applicant meets these criterial does not create a contractual right to a business subsidy. The City may at any time and at its own discretion modify these criteria as permitted by the Act.

- a. *Increase in Tax Base.* The Act provides that an increase in tax base cannot be the sole basis for granting a business subsidy, however, the City considers an increase in tax base is a critical factor in granting a business subsidy. The City may consider a specific goal for tax base increase in connection with a specific request for assistance.

- b. *Job Creation.* The applicant will be required to demonstrate that the proposed project will create the maximum number of jobs feasible in light of the project type and site. Jobs to be created may include jobs that will be retained within the City of St. Francis, but only with a demonstration by the applicant that, absent the business subsidy, the job losses would be specific and demonstrable. If, after the public hearing, the City determines that the creation or retention of jobs is not a goal of the specific project, the job creation goal may be set at zero (0).
- c. *Wages.* New jobs to be created by the project must pay at least 200% of the federal minimum wage exclusive of benefits. Jobs to be retained may not be required to meet the above wage standard. After the public hearing the City may establish wage goals for new jobs to be created that vary from the standard above, and which take into account the following additional factors:
 - i. The size of the business, and its potential to create higher paying jobs in the future;
 - ii. Prevailing local wage rates;
 - iii. Local economic conditions;
 - iv. External economic factors over which neither the City nor the recipient of the business subsidy has control
 - v. The individual financial resources of the recipient; and
 - vi. The competitive environment in which the recipient's business exists.
- d. *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:
 - i. Provides a significant economic impact by means of a multiplier effect within the community;
 - ii. Results in greater economic or commercial diversity within the community;
 - iii. Contributes to the establishment or reestablishment of a critical mass of commercial/industrial development within an area of the City;
 - iv. Provides goods or services that are not currently available in the community;
 - v. Increase the range of goods or services that are available in the community;
 - vi. Encourages the growth of fast-growing businesses;
 - vii. Encourages private investment or reinvestment that results in the removal of blight or remediation of pollution;
 - viii. Supports the retention and/or adaptive re-use of buildings of historical or architectural significance;
 - ix. Encourages the full utilization of existing or planned public infrastructure improvements.

In granting business subsidies, the City may deviate from the criteria outlined above if a) the reasons for the deviation is documented in writing and b) reported to the Minnesota Department of Employment and Economic Development (DEED) pursuant to the Act.

4) APPLICATION PROCESS FOR BUSINESS SUBSIDIES

The applicant will complete and submit the City's Application for Business Subsidy; submit with the application deposit of six thousand (\$6,000.00) to cover the City's administrative review

costs; and provide other information which may be requested by the City. Applicant will be liable for any additional costs beyond the initial deposit as well. All materials submitted to the City in connection with a business subsidy application shall become the property of the City. The review process shall involve at least the following steps;

- a. City staff or the City's agent shall review the application materials and make a preliminary recommendation to the City Council and EDA regarding 1) the completeness of the application, 2) whether the application meets the goals of this policy, and 3) whether the application complies with the criteria established in this policy.
- b. In the event that the City Council and EDA concur with the recommendation in above, a public hearing will be set at which the City will consider a final recommendation related to the application. The final review and recommendations by City staff or the City's agency shall take into account at least the following:
 - i. Applicable credit analysis;
 - ii. Financial structure of the proposed project/application;
 - iii. Legal compliance of the project/application.
- c. At the time of the scheduled public hearing, City staff or the City's agent will make a final recommendation to the City Council and EDA regarding the application. The City Council and EDA may adopt the recommendation or direct City staff or the City's agent to develop alternative information and/or alternatives for action by the City Council and EDA.

5) COMPLIANCE AND REPORTING REQUIREMENTS

- a. Any assistance that does not meet the definition of a "business subsidy" will be excluded from the requirement of holding a public hearing prior to granting a business subsidy. All assistance that meets the definition shall be subject to the requirement of a public hearing.
- b. Every recipient of a business subsidy must enter into a Business Subsidy Requirement Agreement with the City, which agreement must fulfill the requirements of the Act.
- c. Both the recipient and the City must comply with the reporting and monitoring requirements of the Act.
- d. In the event that a recipient fails within two (2) year of the benefit date as defined in the Act to meet the job and wage goals set forth in the Business Subsidy Agreement, the recipient or its successors and assigns shall be liable to repay the City the assistance plus interest. The City may prorate repayment to reflect partial fulfillment of the goals set forth in the Business Subsidy Agreement. The rate of interest charged must be set at no less than the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United State Department of Commerce.
- e. The City may, after holding a public hearing, extend the time for compliance with the Business Subsidy Agreement job and wage goals by up to one (1) year.

May 2016



Application for Business Assistance

With this application, please submit a formal letter requesting assistance. There is an application fee of \$6,000 that will be used to pay legal and financial service fees associated with the application process. Any unused portion of this fee will be returned to the applicant if project is not approved or if applicant decides not to proceed. Application is not considered complete until application fee has been received.

APPLICANT INFORMATION

Business Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Contact Person: _____ Title: _____

Telephone: _____ Email: _____

To be listed as primary on legal documents

Parent Company: _____

Address: _____

City: _____ State: _____ Zip Code: _____

To be listed as primary on legal documents

Consultant Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Contact Person: _____ Title: _____

Telephone: _____ Email: _____

TYPE OF SUBSIDY REQUESTED

Tax Increment Financing (TIF) Tax Abatement Other _____

Type of TIF: Economic Development Redevelopment Housing

OWNERSHIP STRUCTURE & FINANCIAL HISTORY

Indicate type of business:

Corporation Partnership LLC Proprietorship or operates under a name other than the business legal name Other _____

Proprietorship, partners, officers, directors, holder of outstanding stock of 10 percent or more of business ownership must be accounted for on the table below.

Name	Title	% of Ownership
		%
		%
		%
		%

Have there ever been judgments or injunctions against the business or owners? Yes No

If yes, describe: _____

Is there pending litigation involved the business? Yes No

If yes, please attach summary and disposition.

Has the business or the owners of the business ever filed bankruptcy? Yes No

If yes, describe: _____

Has the business or the owners defaulted on a loan commitment? Yes No

Is the business or owner currently delinquent on property taxes in the City of St. Francis? Yes No

Are you engaged in international trade? Yes No

PROJECT INFORMATION

If awarded, what is the intended use of funds? If possible, please provide preliminary cost estimates.

Project Type: Expansion Startup

Do you have facilities in other locations? Yes No

If yes, please list where: _____

Will any jobs be relocated from another Minnesota site? Yes No

If yes, which location(s) will the jobs be relocated from? _____

**Provide a statement within the attachment section as to why the project cannot be completed at its current location/facility.*

What is the company's current number of Full Time Equivalent (FTE) employees in St. Francis? _____

**Full Time Equivalent (FTE) is based on a total annual hours of 2,080.*

What is the company's current number of Full Time Equivalent (FTE) employees in Minnesota: _____

Number of new FTE jobs to be created within 2 years in St. Francis: _____

Number of new FTE jobs to be created within 5 years in St. Francis: _____

**Job number will be used to determine eligibility for scoring and for job creation commitments.*

What is the hourly base wage of the lowest paid job that will be created? _____

How many jobs earning a base wage of \$14.50 or higher are anticipated to be created? _____

**City requires a minimum wage of \$14.50 exclusive of benefits (200% of Federal Minimum wage).*

What is the average base wage of all the jobs created? _____

Complete the following wage/benefit table:

Wage Levels Per Hour	Number of Permanent FTE Positions at this Wage Level	Hourly Value of Health Insurance Benefits (Health and Dental)	Hourly Value of Non-Health Insurance Benefits (Life, Profit Sharing/Bonuses, Retirement, etc.)
Less than \$14.50			
\$14.50 - \$14.99			
\$15.00 - \$16.99			
\$17.00 - \$18.99			
\$19.00 - \$20.99			
\$21.00 - \$22.99			
\$23.00 - \$24.99			
\$25.00 - \$26.99			
\$27.00 - \$28.99			
\$29.00 - 30.99			
\$31.00 and Over			

PROPERTY INFORMATION

Property Identification Number(s): _____

Total Size of the Property: _____

Total Size of the Facility: _____

Facility Breakdown	Total Square Feet Per Area
Manufacturing/Assembly/Processing	
Office	
Research Laboratory	
Warehouse	
Other	

Will the facility be leased or owned? Leased Owned

Are there any environmental risks associated with the site, building, or the business itself? Yes No

Have state environmental review requirements been met, if applicable? Yes No

ESTIMATED SOURCES AND USES OF FUNDS

**Note: 20% of equity is required.*

	Local Government	Bank	Equity	DEED	Other	Total
Property Acquisition						
Site Improvement						
New Construction						
Renovation of an Existing Building						
Purchase of Machinery & Equipment						
Public Infrastructure						
Other						
Total Project Costs						

ESTIMATED PROJECT TIMETABLE

Task	Estimated Completion Date
Commitment of all Funds	
Start of Construction	
Purchase Equipment	
Complete Construction	
Begin Operations	

TAX INCREMENT FINANCING ONLY

Any project receiving tax increment financing must meet requirements established in the City of St. Francis Tax Increment Financing Policy.

Will the developer receiving assistance provide a minimum of 20% cash equity investment in the project?

Yes No

If new construction, will the building be at least 50,000 square feet? Yes No

TAX ABATEMENT ONLY

Any project receiving tax abatement must meet requirements established in the City of St. Francis Tax Abatement Policy.

Will the developer receiving assistance provide a minimum of 20% cash equity investment in the project?

Yes No

Does the project meet the minimum investment of \$10 million (new businesses) or \$5 million (expansions)?

Yes No

Attach the following information with the application. Application is not considered complete until all documents have been received.

- Provide a brief narrative of the company.
 - What is the business' competitive position in the marketplace? Briefly describe the past and present operations of the business and/or events leading up to its creation. Include when business was established and any change in controlling ownership within the last five years.
 - Does the marketing strategy support the planned expansion or start-up?
 - Is public assistance necessary for this project? If so, why will the project not proceed without public assistance?
- Site information, including site plan, renderings of the proposed project, narrative description of location, scope, size and type of development.
- Planning and zoning analysis: Does the project conform to the current zoning? Are any variances needed? If so, please identify and explain.
- Studies and analysis in support of project:
 - Preliminary economic analysis showing existing taxes, future taxes and source and use of funds.
 - Pro forma analysis of the project or market that have been completed.
 - Market feasibility analysis.

A professional analysis of the company's financials may be required and would need to include review of the following information: Three years historical financial information: Balance Sheets, Profit and Loss Statements and Cash Flow Statements.

NOTICE TO THE COMPANY: DATA PRACTICES ACT

The information that you supply in your application to the City of St. Francis/St. Francis EDA ("City") will be used to assess your eligibility for financial assistance. The City will not be able to process your application without this information. The Minnesota Government Data Practices Act (Minnesota Statutes, Chapter 13) governs whether the information that you are providing to the City is public or private. If financial assistance is provided for the project, the information submitted in connection with your application will become public, except for those items protected under Minnesota Statutes, Section 13.59, Subdivision 3(b) or Section 13.591, Subdivision 2.

I have read the above statement and I agree to supply the information to the City with full knowledge of the matters contained in this notice. I certify that the information submitted in connection with the application is true and accurate.

Signature / Title

Date

BUSINESS SUBSIDY REIMBURSEMENT AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____, 20__, by and between the CITY OF ST. FRANCIS, MINNESOTA (the "City"), a Minnesota municipal corporation, and _____, a _____ (the "Applicant").

WITNESSETH:

WHEREAS, _____ has made application for Business Subsidy for a project located _____ (the "Project"); and

WHEREAS, the City of St. Francis has collected the review fee of \$6,000 as required by the City's adopted Fee Schedule; and

WHEREAS, _____ has agreed to reimburse the City for the costs of the preparation and review of the Business Subsidy application over and above the \$6,000 application fee.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

_____ will reimburse the City for the costs actually incurred by the City in the preparation and review of the Business Subsidy application for the Project. Payment shall be due 10 days after written evidence reasonable acceptable to _____ has been provided to _____ that such costs have actually been incurred by the City. Termination of this Agreement shall not impair the obligation of _____ to pay the reasonable costs actually incurred by the City for the preparation of the Business Subsidy application before the date of termination of this Agreement.

APPLICANT'S NAME

By: _____

Date: _____

Title: _____

CITY OF ST. FRANCIS

By: _____

Date: _____

Title: _____

St. Francis Tax Increment Financing Application

SUMMARY REPORT CARD

Applicant Name: _____

Application Date: _____

1 Private investment in project: Points:

_____	Private Investment
_____	Public Investment/TIF
_____	Ratio of Private/Public Financing

Private Funds/TIF	Points
3 to 1	1
4 to 1	2
5 to 1	3
6 to 1	4
7 to 1	5

2 Increase in real estate value Points:

_____	Value of site before redevelopment
_____	Value of site after redevelopment
_____	Ratio of value before/after redevelopment

Before/After	Points
1 to 1.5	0
1 to 2	1
1 to 3	2
1 to 4	3
1 to 5	4

3 Job Retention in the City: Points:

_____ Number of FTE employees retained in City

Jobs Retained	Points
0	0
1 to 15	1
16 to 30	2
31 to 45	3
46 to 75	4
76 & Up	5

4 Job Creation in the City: Points:

_____ Number of new FTE employees as a result of the project

New Jobs	Points
0	0
1 to 15	1
16 to 30	2
31 to 45	3
46 to 75	4
76 & Up	5

5 Ratio of TIF Investment to jobs retained & created: Points:

_____	TIF Request
_____	Jobs Retained / Created
_____	TIF / Job

TIF/Job	Points
\$0 to \$7,000	5
\$7,001 to \$10,000	4
\$10,001 to \$13,000	3
\$13,001 to \$16,000	2
\$16,001 to UP	1

6 Pay level of FTE jobs (without benefits)

Points: **0**

# of Employees	Total Wages	Pay Range	Points
		\$0 to \$14,999	0
		\$15,000 to \$24,999	1
		\$25,000 to \$29,999	2
		\$30,000 to \$44,999	3
		\$45,000 to \$59,999	4
		\$60,000 & Up	5
Total # of FTE 0	Total Wages \$0	Average Wage #DIV/0!	

7 Bonus Points (20 points total)

Points: **0**

- A. Developer has assembled majority or all of the parcels required for redevelopment?
- B. Project will redevelop a previously contaminated or environmentally challenged site?
- C. Project will be part of a mixed-use development?
- D. Project will incorporate LEED principles- meet certification- achieve medal?
- E. Project incorporates principles of livable communities and/or Transit Oriented Development?
- F. Project will likely stimulate further investment in surrounding neighborhood?
- G. Site is located in or close proximity to a City-designated redevelopment area?
- H. Project will have a significant community impact?

	Points	
	Avail	Awarded
A.	2	
B.	3	
C.	2	
D.	3	
E.	3	
F.	2	
G.	2	
H.	3	
Total	20	0

8 **Total Points** 0

to	9	F
to	19	D
to	29	C
to	39	B
to	49	A

Final Grade

1) POLICY PURPOSE

For the purposes of this document the term "City" includes the City of St Francis Council, Staff, the Economic Development Authority, Advisory Boards and Commissions, Financial consultants, and legal counsel.

The purpose of this policy is to establish the City of St. Francis's position related to the use of Tax Increment Financing (TIF) for private development above and beyond the requirements and limitation set forth by State Law. This policy shall be used as a guide in the processing and review of applications requesting tax increment assistance.

The City of St. Francis (City) is granted the power to utilize TIF by the Minnesota Tax Increment Financing Act, Minnesota Statutes 469.174 through 469.1794, as amended. The fundamental purpose of tax increment financing in the City of St. Francis is to encourage desirable development or redevelopment that would not otherwise occur *but for* the assistance provided through TIF.

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 policy criteria does not guarantee the award of business assistance to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

The Council (and EDA Board) can deviate from this policy for projects that supersede the objectives identified herein.

2) OBJECTIVES OF TAX INCREMENT FINANCING

Tax Increment Financing (TIF) uses the increased property taxes generated by new real estate development within a tax increment district to pay for certain eligible costs associated with the development. As a matter of adopted policy, the City will consider using TIF to assist private development projects that will achieve one or more of the following objectives:

- To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits. Preference will be given to higher paying jobs that also provide benefits such as health care coverage.
- Projects that provide value in the forms of needed transportation and other utility infrastructure improvement that would be completed in conjunction with the project.
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin-off" development.
- To facilitate the development process and to achieve development on sites which would not otherwise be developed but-for the use of TIF.
- To remove blight and/or encourage redevelopment of commercial and industrial area in the City that result in high quality redevelopment and private reinvestment.

- To offset increased costs of redevelopment (i.e. contaminated site clean-up) over and above the costs normally incurred in development.
- To create opportunities for affordable housing.
- Projects that improve the quality of life in the City by providing a desirable good or service and address an unmet demand in the community.
- To contribute to the implementation of other public policies, as adopted by the city from time to time, such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.

3) USE OF TAX INCREMENT FINANCING

1. When possible, TIF shall be used to finance public improvements associated with the project. The priority for the use of TIF funds is:
 - a. Public improvement, legal, administrative and engineering costs.
 - b. Site preparation, site improvement, land purchase, demolition and environmental remediation.
 - c. Capitalized interest, bonding costs.
2. The following types of TIF districts may be established
 - a. Economic Development Districts (maximum term 9 years)
 - b. Redevelopment Districts (maximum term 26 years)
 - c. Housing Districts (maximum 26 years)
 - d. Renewal and Renovation Districts (maximum term 16 years)
 - e. Other types of TIF districts, along with specific criteria, may be considered on a case by case basis.
3. TIF assistance shall not be provided for reimbursement of land and/or property price that is in excess of fair market value. An appraisal by a third party, agreed upon by the City and Developer, will determine the fair market value of land
4. The City shall retain a fee to reimburse administrative costs up to but not to exceed ten percent (10%) of any tax increment received.
5. Any developer receiving TIF assistance shall provide a minimum of twenty percent (20%) cash equity investment in the project. The TIF assistance shall not be used to supplant cash equity. The City may consider exception for "pay-as-you-go" TIF projects.
6. Developer shall be able to demonstrate a market demand for a proposed project. TIF shall not be used to support purely speculative projects.
7. TIF shall not be utilized in cases where it would create an unfair and significant competitive financial advantage over other projects in the City.
8. TIF shall not be provided for projects that would place extraordinary demands on the city services or for projects that would generate significant environmental impacts.
9. The developer must provide adequate financial guarantees to ensure completion of the project, including, but not limited to: assessment agreements, letter of credit, personal guarantees, etc.
10. The developer shall adequately demonstration, to the City's sole satisfaction, any ability to complete the proposed project based on past development experience, general reputation and credit history, among other factors, including the size and scope of the proposed project.

11. For the purposes of analyzing the proposal, the developer shall provide any requested market, financial, environmental or other data requested by the City or its consultants.

4) PROJECT QUALIFICATIONS

All TIF projects considered by the City of St. Francis must meet all of the following requirements:

1. To be eligible for TIF, a project shall result in one of the following:
 - a. For Economic Development TIF Districts, new construction of a minimum of 50,000 square foot building
 - b. For Economic Development TIF Districts, the minimum creation of one new or retained full time job per \$15,000 of TIF provided
 - c. For Redevelopment TIF Districts, a minimum value increase of 2 times the current year assessed value, whichever is greater
2. The project shall meet at least **one** of the objectives set forth in Section 2 and satisfy all the provisions set forth in Section 3 of this document.
3. The developer shall demonstrate the project is not financially feasible but-for the use of TIF.
4. The project must be consistent with the City's Comprehensive Plan, Land Use Plan and Zoning Ordinances.
5. The project shall serve at least **two** of the following public purposes:
 - a. Creation of jobs with livable wages and benefits, per City's Business Subsidy Policy.
 - b. Increase tax base.
 - c. Enhancement or diversification of the City's economic base.
 - d. Industrial development that will spur additional private investment in the area.
 - e. The project contributes to the fulfillment of the City's development or redevelopment objectives
 - f. Removal of blight or the rehabilitation of a high profile or priority downtown site.

5) SUBSIDY AGREEMENT & REPORTING REQUIREMENTS

- All developers/businesses receiving tax increment financing assistance from the City of St. Francis shall be subject to the provisions and requirements set forth by State Statute 116J.993 and summarized below. Developers/businesses must also comply with the cities Business Subsidy Policy.
- All developers/businesses receiving TIF assistance shall enter into a Subsidy Agreement with the City of St. Francis that identifies: the reason for the subsidy, the public purpose served by the subsidy, and the goals for the subsidy, as well as other criteria set forth by State Statute 116J.993.
- The developer/business shall file a report annually for two years after the date the benefit is received or until all goals set forth in the application and performance agreement have been met, whichever is later. Reports shall be completed using the format drafted by the State of Minnesota and shall be filed with the City of St. Francis no later than March 1 of each year for the previous calendar year. Businesses fulfilling job creation requirements must file a report to that effect with the City within 30 days of meeting the requirements.
- The developer/business owner shall maintain and operate its facility at the site where TIF assistance is used for a period of five years after the benefit is received.

- The developer/business will be required to attain or exceed the jobs and wage goals set forth in the Subsidy Agreement.
- Developer/Businesses failing to comply with the above provisions will be subject to fines, repayment requirements, and be deemed ineligible by the State of Minnesota to receive any loans or grants from public entities for a period of five years.

6) APPLICATION PROCESS

1. Applicant submits the completed application.
2. City staff reviews the application and completes a project score sheet
3. Results of the score sheet are submitted to the appropriate governing authorities for preliminary approval of the proposal.
4. If preliminary approval is granted, the applicant submits the application fee of \$6,000 for the Tax Increment Financing Plan, along with the all necessary notices, resolutions and certificates as prepared by City staff and/or consultants. The application funds will be placed in a non-interest bearing account and any unused portion of the fee will be returned to the application.
5. Notices are published and sent to the county and school board.
6. Public Hearing(s) on the proposed project are held.
7. The City Council grants final approval or denial of the proposal.

*This policy shall be reviewed on a biannual basis with the next review being set forth May 2018