
CITY OF LINDSTROM AVAILABLE TAX INCREMENT FINANCING DISPERSION POLICY AND CRITERIA

INTRODUCTION

The City of Lindstrom is interested in encouraging economic development through the wise use of City resources. The State Legislature has provided that City's with excess TIF dollars may disperse the available TIF to create jobs in a community. The decision to provide incentives to a business is guided by the expectation that the financial benefits to the City of Lindstrom will produce sufficient return on the community's investment and that the business will contribute to the Comprehensive Plans Goal #1 to "Maximize Lindstrom's potential to be a thriving regional center for business, recreation and tourism..."

PURPOSE AND OUTCOME

This policy is intended to establish a process for the application, approval and dispersion of Excess Tax Increment (TIF) funds in the City of Lindstrom. These criteria shall apply to both the Lindstrom Economic Development Authority (EDA) and the Lindstrom City Council when considering applications for Excess TIF business subsidies, as defined in Minnesota Statutes §116J.993, Subdivision 3 and in Sec. 14. Minnesota Statutes 2010, section 469.176, subdivision 4m, for private development within the City.

The expected outcomes are to:

- A. Create long term full and part time jobs
- B. Create short term construction jobs
- C. Encourage existing businesses to expand and make improvements to their buildings
- D. Recruit new companies to the City of Lindstrom thus fulfilling our vision to be a "...thriving regional center..."

AUTHORITY

The City of Lindstrom is authorized to grant business subsidies pursuant to Minnesota Statutes §116J.993 through 116J.995. Amendments to these criteria are subject to public hearing requirements pursuant to Minnesota Statutes §116J.993 through 116J.995.

The City of Lindstrom is authorized to disperse excess TIF dollars pursuant to Sec. 14. Minnesota Statutes 2010, section 469.176, subdivision 4m

STATUTORY LIMITATIONS

All applications or requests for Excess TIF business subsidies must comply with all applicable state statutes (including MN State TIF Statutes).

The definitions and minimum criteria set forth in Minnesota Statutes §116J.993 through 116J.995 are hereby adopted and incorporated herein by reference.

The City's ability to grant Excess TIF business subsidies are ultimately governed by the limitations established in Minnesota Statutes §116J.993 through 116J.995 and Sec. 14. Minnesota Statutes 2010, section 469.176, subdivision 4m.

APPLICATION REQUIREMENTS

Each request for a business subsidy and dispersion of TIF funds shall be submitted in writing to the Lindstrom EDA on a form provided by the City.

Required information;

- Name and contact information for applicant
- Number and duration of short term construction jobs
- Number of long term full living wage and/or part-time jobs created
- Increased valuation of building
- Building owner contact information
- Business owner contact information
- Type of business
- Site and Building plan
- Business plan
- Amount requested

PUBLIC PURPOSE REQUIREMENTS

Any application for Excess TIF business subsidies must meet a public purpose which may include, but may not be limited to increasing the tax base, creating temporary construction jobs, and/or creating long term full and part-time jobs in the City.

BUSINESS SUBSIDY CRITERIA

The following criteria may be considered by the City of Lindstrom when reviewing applications for Excess TIF business subsidies in accordance with Sec. 14. Minnesota Statutes 2010, section 469.176, subdivision 4m. However, it should not be presumed that a project meeting one or any multiple of these criteria will automatically be approved. Meeting these criteria creates no contractual rights on the part of any applicant, business, proposed project or potential developer.

- Amount of available TIF Subsidy requested and Excess TIF remaining in fund
- Existing businesses that would be directly in competition with the requesting business
- Increased market value
- Increased jobs; living wage, benefits included, contracted, part-time, seasonal, etc.
- Redevelopment of blighted areas and/or renovation of downtown buildings
- Provide or help acquire, finance or construct public facilities
- Service need within the community
- Compliance with any applicable Comprehensive Plan and Zoning Ordinances, or required changes to the Plan and Ordinances must be under active consideration at the time of approval.
- Potential long term viability of business

A recipient of an available TIF business subsidy shall continue operations and or increased jobs at the site where the subsidy was approved for at least five (5) years after the benefit begins. If the operation is discontinued or jobs are decreased the City may require the subsidy be reimbursed.

BUSINESS SUBSIDY LIMITS

The City may provide Business Subsidy up to its available resources based on the following criteria;

New long-term full-time living wage jobs qualify for a \$20,000 subsidy for each new job created. For example, a long term full time job with benefits paying living wage qualifies for a \$20,000 Excess TIF Subsidy.

Part-time jobs which add up to full-time equivalents and that receive less than a living wage and do not include benefits may qualify for up to \$10,000 for each full-time equivalent not to exceed \$20,000 (2 full time equivalents). For instance, 2 part-time jobs paying minimum wage with no benefits equal 1 full-time equivalent and may qualify for up to \$10,000.

Short Term Construction and seasonal Jobs equating to a full-time equivalent may qualify for \$1,000 of Available TIF subsidy up to a total of \$5,000.

Market Value increases may qualify for up to 10% of the increased market value up to no more than \$50,000. An increase in market value of \$500,000 would qualify for a \$50,000 Available TIF subsidy. The increased market value will be determined by the Chisago County Assessor's office.

Subsidy limits may be combined.

BUSINESS SUBSIDY DEVELOPMENT AGREEMENT

Any businesses being considered for assistance will be required to sign a development agreement.

Penalties for projects/developments not meeting the established criteria will be included within each individual business development agreement.

All projects and developments receiving assistance must comply with all current and future zoning ordinances and adopted design guidelines (including landscaping).

New developments or building renovation assistance may not receive both tax abatement and Excess TIF business subsidies simultaneously.

REVIEW AND APPROVAL

The Lindstrom EDA Board shall review each application and make a recommendation to the City Council as to the granting of an Excess TIF business subsidy.

The Lindstrom City Council will make the final decision on granting the Excess TIF business subsidy. The City Council will provide adequate notice of and hold a public hearing.

The City Council may approve individual terms and amounts at its discretion.

The City Council may limit the amount of the assistance:

- A. To a specific dollar amount,
- B. To the increase in property taxes resulting from improvement of the property,
- C. To the increases in property taxes resulting from increases in the market value or tax capacity of the property,
- D. In any other manner the City Council determines is appropriate.

The dispersion of TIF funds may be considered a grant or loan at the discretion of the Lindstrom City Council and is based on a first-come, first-served basis.

The City has the right to reject any and all applications for assistance and end this business assistance program at any time and for any reason.



Signature of applicant; _____ Date; _____