

TODD COUNTY BOARD OF COMMISSIONERS

A RESOLUTION ESTABLISHING POLICY GUIDING THE ADMINISTRATION AND ADOPTION OF ECONOMIC DEVELOPMENT TAX ABATEMENTS

On a motion by Ruda and second by Kneisl, the following was adopted by unanimous vote:

WHEREAS, The Todd County Board of Commissioners is granted the authority to utilize tax abatement as an economic development tool by MN Statutes 469.1812 - 1815, and;

WHEREAS, The Todd County Board of Commissioners wants for the application and assessment process for tax abatements to be orderly and equitable.

NOW, THEREFORE BE IT RESOLVED, that the Todd County Board of Commissioners adopts the following policy:

Purpose:

The purpose of this policy is to establish Todd County's position relating to the use of Economic Development Abatements for private development in accordance with Minnesota Statutes 469.1812 - 1815. This policy shall be used as a guide in processing and reviewing applications requesting assistance. The fundamental purpose of Economic Development Abatements in Todd County is to encourage desirable development and/or redevelopment that would not otherwise occur "but for" the assistance provided.

The County shall consider Economic Development Abatements for projects that serve to accomplish the County's goals for economic development as they may change over time. The goals include facilitating projects that would result in the creation of quality jobs (e.g. stable employment, wages with benefits) and the attraction, retention, and expansion of business and housing options in the County.

Todd County is granted the power to utilize Economic Development Abatements by Minnesota Statutes. It is the intent of the County to provide the minimum amount of assistance, at the shortest term required for the project to proceed. The County reserves the right to approve or reject projects on a case by case basis, taking into consideration established policies, project criteria, and demand on county services in relation to the potential benefits from the project. Meeting policy criteria does not guarantee the award of assistance to the project. Approval or denial of one project is not intended to set precedent for approval or denial of another project.

1. Restrictions and Requirements.

- a. Before Economic Development Abatement is considered for any project or property, it and all of the owners must be in compliance with all Todd County ordinances, tax payments, or any other legal or financial obligations to Todd County. In addition, Todd County can review the status of other properties owned by the owners outside of Todd County.
- b. The benefits to the County must be at least equal to the costs of the Economic Development Abatements.

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- c. The County Board must also find that the Economic Development Abatement action is in the public interest because the tax abatement will meet at least one of the following criteria:
 - i. Increase or preserve tax base
 - ii. Provide employment opportunities in the county
 - iii. Provide, acquire, or construct public facilities
 - iv. Redevelop or renew blighted areas, or
 - v. Provide access to services for county residents
 - d. Preference will be given to manufacturing, distribution or value added business or to a business providing services to these types of businesses. Generally, establishments which will be engaged in the retail sales of merchandise to the public will not be considered for economic development tax abatements unless they provide substantial opportunities for quality employment and economic development.
 - e. In any given year, the total amount of property taxes abated by Todd County for economic development may not exceed the limit determined by the Todd County Board. This amount can be no more than that allowed by Statute.
 - f. The County shall limit the amount of individual abatements in accordance with the benefits of the project.
 - g. Although the statute allows the County to issue bonds to fund approved Economic Development Abatements, Todd County will not issues bonds for this purpose unless the bonds relate to County initiated projects on County property.
 - h. The County Board may set reporting requirements and restrictions upon a project.
 - i. The County Board may choose to approve a subsidy contingent upon certain performance factors which will be agreed upon prior to the approval of a subsidy.
2. **Criteria.** The following points will be considered by the County Board in determining whether or not an Economic Development Subsidy will be approved:
- a. Equal consideration will be given to both existing business expansion and new businesses locating in the county.
 - b. The extent that the use of Economic Development Abatements would create an unfair and significant competitive financial advantage over existing projects in the area.
 - c. The extent that the developer is able to demonstrate a market demand for a proposed project.
 - d. Economic Development Abatements will not be used in circumstances where land and/or property price is in excess of fair market value.
 - e. The extent to which the project increases county costs for road construction, traffic control, law enforcement, human services and other budgetary items.
 - f. The extent to which other levels of local government are in support of the project.
 - g. The County Board shall, prior to their consideration, receive a resolution from all other taxing jurisdictions from which the applicant intends to seek Economic Development Abatement funds to determine how these entities will be providing Economic Development abatements for the project.
 - h. The nature and type of the new development.

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- i. Redevelops area that has experienced blight or contamination as described in M.S. 469.174, Subd. 10, 10a, 16; and/or Brownfields remediation and environmental cleanup. For this purpose, the term “brownfields” is defined as abandoned, idled or under-used industrial or commercial facilities where expansion or redevelopment is complicated by real or perceived environmental contamination.
 - j. If the Economic Development Abatements will be used to facilitate the relocation of commercial or industrial enterprises within the County, the effects of the relocation on the former neighborhood will be considered and analyzed.
 - k. The proposal must include property identification numbers or legal descriptions and must be an existing parcel of record.
 - l. The extent, to which the project adds to, diversifies or preserves the county’s net commercial, industrial or general tax base.
 - m. The project must be consistent with the County’s Comprehensive Plan and Zoning Ordinance.
 - n. The extent that Economic Development Abatements will result in development on sites which would not otherwise be developed.
 - o. The developer shall demonstrate that the project is not financially feasible but-for the use of Economic Development abatements. This requirement must include Economic Development abatements and all other Sources of Funds from other government jurisdictions, private sector and non-profit organizations.
3. **Procedure.** The following procedure will be used to gain approval of the County Board for an Economic Development Abatement. Nothing in this procedure guideline should be taken to limit the ability of a developer to apply with other jurisdictions or to work with other organizations to create an appropriate application.
- a. The developer will submit a completed application with any requested information to the Todd County Development Corporation (TCDC), along with a base application fee of \$500.00. (Fee is non-refundable and split evenly between the County and TCDC)
 - b. TCDC staff and County staff will review the application. Staff may request additional data, work with other agencies or jurisdictions, request input from other departments as deemed necessary to make thorough review of said application.
 - c. Once a completed application has been reviewed by staff, the TCDC Board will review the application and make a recommendation to the County Board including amounts, duration, reporting requirements and restrictions.
 - d. If approved by the TCDC Board, County staff will make appropriate public notice and schedule a public hearing in accordance with Minnesota Statutes 469.1813 subd 5.
 - e. The County Board grants final approval or denial of the proposal.

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STATE OF MINNESOTA }
COUNTY OF TODD }

I, Nathan W. Burkett, County Administrator, Todd County, Minnesota hereby certify that I have compared the foregoing copy of the resolution of the County Board of said County with the original record thereof on file in the Administration Office of Todd County in Long Prairie, Minnesota as stated in the minutes of the proceedings of said board at a meeting duly held on December 30, 2011, and that the same is a true and correct copy of said original record and of the whole thereof, and that said resolution was duly passed by said board at said meeting. Witness my hand and seal this 30th day of December, 2011.

Nathan Burkett, County Administrator