



NORWOOD YOUNG AMERICA ECONOMIC DEVELOPMENT COMMISSION
Wednesday, June 10, 2020

6:00 p.m. via Virtual Zoom Meeting: <https://us02web.zoom.us/j/2334797500>
City Hall Council Chambers, 310 Elm Street West

AGENDA

1. **Call to Order**
 - A. Pledge of Allegiance
2. **Adoption of Agenda**
3. **Approve Minutes**
 - A. May 13, 2020 EDC meeting
4. **Introductions, Presentations, and Public Comment**

(Citizens may address the Economic Development Commission about any non-agenda item of concern. Speakers must state their name, address, and limit their remarks to three minutes. The Economic Development Commission will take no official action on these items but may refer the matter to staff for a future report or direct that the matter be scheduled for a future meeting.)
5. **Unfinished Business**
 - A. Elm Street Municipal Parking Lot
 - B. Mural – Lana Beck
 - C. Decorative Streetlights – 200 Block of Main Street
6. **New Business**
 - A. Business Subsidy Policy
7. **Project Updates**
 - A. Small Cities Development Program Grant
 - B. NYA Market Enrichment Grant Program
 - C. Hwy 212 Construction Marketing Plan
 - D. Commercial Market Study
8. **Miscellaneous Reports**
 - A. NYA Area Chamber of Commerce Updates
9. **Upcoming Meetings**
 - A. Next EDC meeting – 6:00 p.m., July 8, 2020
10. **Adjournment**



Economic Development Minutes
May 13, 2020 – 6:00 PM
EDC Virtual Meeting

Attendance:

Commission Members Present: Mike Eggers, Andrea Gerth, Carol Lagergren, Mike McPadden, Tanya Noeldner, Connor Smith, Julie Wigfield, Jason Winters (joined at 6:27 PM)

Staff Present: Karen Hallquist (Economic Development/Marketing Director)

Others Present: Lana Beck

1. Call Meeting of City Council to Order:

Mayor Lagergren called the virtual meeting to order at 6:00 PM.

Roll call of attendance. Seven members present.

2. Approve Agenda

Motion: ME/MM to adopt the agenda as submitted. Roll call vote. Motion passed 7-0.

3. Approve Minutes of April 8, 2020

Motion: CL/MM to approve minutes as presented. Roll call vote. Motion passed 7-0.

4. Introductions, Presentations, and Public Comment

None

5. Unfinished Business

A. Elm Street Municipal Parking Lot

Hallquist covered the scope of work to be completed to include landscaping and restriping. Goals for the project were: (1) create an aesthetically pleasing design plan with safety improvements for an under-utilized public parking lot; (2) provide an area for walkers and shoppers to sit or stand and have an opportunity for conversation about our Historic Downtown; and (3) achieve another project in the Downtown Redevelopment Plan. Needed improvements were: reconfigure landscaping, maintain landscaping, address parking lot cracks/holes, deal with snowplow challenges, improve lighting, increase signage for overnight parking and public parking. Expanded landscaping options would include a rounded L design area with pergola seating and several benches separated from the city street with split rail fencing and surrounded by low maintenance perennials and additional lighting. The west exit closest to Chameleon Salon would be closed with the new landscaping plan. Noeldner shared the issue of required overnight parking for the apartments on Elm Street and Union Street. Lagergren requested information on cost for the updates. Eggers asked questions about ownership of the light poles and adding additional lighting. Eggers requested additional information on the number of parking spots in the new update. Plan will be shared with the Parks and Recreation Commission at their next meeting. Hallquist and Voigt will work on updated costs.

B. Mural – Lana Beck

Beck shared a Presentation on past projects. She shared the risks of an exterior mural in Minnesota – no guarantees for lifespan of mural, although the quality of paints should last up to 80 years. Requirements for Beck include a scissor lift (provided by the city). Bid and charge are \$100 per hour (includes insurance, mileage and supplies, including paint). Payment will be based on the lesser of bid or actual time required. Priming can be done by Beck or by the city. Beck shared concerns regarding the trees on Elm Street which may interview with the view of the mural. Beck shared themes from other projects – historic period celebration, city focus, vintage (trendy). Beck does not do sketches but works spontaneously from photos and no project will ever be done twice. Curing time for mural is 30 days (which means no washing). There is no cover coating, although a graffiti clear coat is optional (very expensive). Thoughts from Beck for the project include bright colors or tone-on-tone (sienna with brown tones), 3D railroad sketch, green space design, Oak Grove Dairy theme, waterfall, or giant fountain with Victorian circle/path. McPadden and Winters shared their thoughts on murals on both sides of town. Beck also shared her experience working with students for a possible future project on the underpass. Hallquist shared that monies have been budgeted. Lagergren asked for thoughts regarding the theme of the project – several shared the idea of fun and exciting theme that may not be historic in nature. Hallquist will have Beck connect with History Center with a focus on fun and exciting. Noeldner

requested additional lighting and/or cameras to cover area for additional protection. Hallquist will share Redevelopment Plan with Beck regarding themes in the Historic Downtowns. Next meeting to work with Beck to discuss thoughts after work with History Center and current themes of downtowns with a focus on bold colors.

C. Decorative Streetlights – 200 Block of Main Street

Hallquist shared her conversations with Excel Energy Outdoor Lighting. They walked the street to view current lighting. Current lighting is the old system for placement and would cost \$47,918 to replace with four additional decorative light poles at \$6,000 a piece. Total cost about \$72,000 in addition to labor (trenching and electronic panel). The model for our current poles will be retired with a new bid coming in the next several months.

D. NYA Market Enrichment Grant Program

Hallquist shared approval for Extreme Electric to include new roof, siding and windows. Several other businesses have shown interest. Winters asked for a grant option for duplex owner on Elm Street. The Small Cities Grant requires a minimum of three apartments in the Downtown district and the Market Enrichment Grant requires property to be commercial.

6. New Business

A. Updated Business Listing

Hallquist shared GIS information on the city website under Economic Development that shows current available land and buildings property. It links an information sheet on the realtor and other sales information. Site includes information on sites that area commercial, industrial and development. Smith shared information on the sale of the NAPA building and lot to the Star Group.

7. Project Updates

A. Small Cities Development Program Grant

Hallquist shared information on the ten businesses that have been approved: CPS Holdings Waconia dodge (2 addresses), Trusted Insurance, Ernst Holdings (two addresses), Northside Grill, On Point Nutrition, The Pour House, Quilting Grounds and Landromat/Rental. There is another business who has submitted paperwork.

B. Highway 212 Construction Marketing Plan

Hallquist shared information from OrangeBall Creative work on #NYAisOpen brochures and marketing information through a business survival kit (available by the end of the month). Additional information on the recent Virtual Meeting with MnDOT. Billboards are going up in the next month.

C. Commercial Market Study

Hallquist shared update that new information has been received from Keith Wicks and will allow work with the County CDA regarding grant.

8. Miscellaneous Reports

A. NYA Area Chamber of Commerce Updates

Wigfield shared information on the Virtual Mother's Day. City-wide garage sales will be held August 2-5, 2020. Other events are currently on hold. Noeldner asked about Stiftungsfest and it was shared that no final decisions have been made at this time.

9. Upcoming Meetings

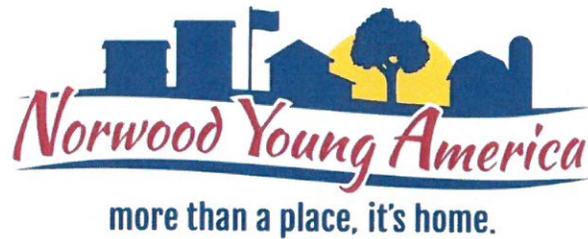
A. Next EDC meeting – 7:22 PM on May 13, 2020

10. Adjournment

Motion: JW/MM to adjourn at 8:09 PM. Roll call vote. Motion passed: 8-0.

Respectfully submitted,

Karen Hallquist, ED/Marketing Director



TO: Economic Development Commission
FROM: Karen Hallquist, Economic Development Marketing Director
DATE: June 10, 2020
SUBJECT: Unfinished Business

Elm Street Municipal Parking Lot

The Elm Street Municipal Parking Lot landscape ideas were presented to the NYA Parks & Rec Commission on May 19, 2020. The response was favorable for the improvements. Charlie Storms and Bill Grundahl were both familiar with the cement slab in the parking lot as it was the base of a former radio tower which never was removed. Currently, the P&RC do not have available funds to contribute to this project. Staff has been in contact with three local landscaping companies for bids on the project (Top Tier Landscaping, Tom Fritz Landscaping and Turfworx Landscape).

Mural

Lana Beck has had an opportunity to visit with Willkommen Heritage Center President LaVonne Kroells about some ideas for the Elm Street Mural. Both will be joining the Zoom meeting to give an update and show some ideas. Mona Platt, owner of SLS, Inc., will also be joining the meeting. Prior to any physical work, the City and SLS, Inc. will need to sign an agreement of mural design and maintenance.

Decorative Streetlights - 200 Block of Main Street

Staff is still waiting for an updated estimate on the increased scope of work from Damon Johnson, Xcel Energy Outdoor Lighting Department.

Norwood Young America



TO: Economic Development Commission
FROM: Karen Hallquist, Economic Development Marketing Director
DATE: June 10, 2020
SUBJECT: Business Subsidy Policy Review

Background

The City of NYA has Resolution No. 2004-50 "Resolution Adopting a Revised Business Subsidy Policy in Compliance with Minnesota Statutes" in place since September 27, 2004. This purpose of this Resolution is that it gives the City of NYA the authority to assist business development within the city limits by providing economic development incentive programs such as Tax Abatement, Tax Increment Financing (TIF) and support MN DEED programs.

In order for a business to receive City subsidies, they must achieve certain criteria – some of which are listed below:

- Increasing the tax base
- Project in accordance with the Comp Plan
- Must be financially feasible and request for assistance is valid
- Recipient of subsidy must make a commitment to continue in City for at least five years after benefit date
- Must meet wage and job goals

The Commission is requested to review the current Business Subsidy Policy as it has not been reviewed since 2004. The City of Waconia and Chanhassen's Business Subsidy Guidelines have been included as a reference.

Action

Discussion only.

Norwood Young America

RESOLUTION NO. 2004-50

RESOLUTION ADOPTING A REVISED BUSINESS SUBSIDY POLICY IN COMPLIANCE WITH MINNESOTA STATUTES

WHEREAS, the City of Norwood Young America, has been granted powers by the State legislature to assist business development in the city by providing business subsidies, and;

WHEREAS, the business subsidy must be in compliance with the requirements of State law, specifically Minnesota Statutes 116J.993 - 116J.995, and

WHEREAS, it is the purpose of this resolution to revise the existing Business Subsidy Policy to comply with current State requirements,

WHEREAS, this policy will apply only to subsidies as defined or limited by State law, although the City reserves the right to employ this policy to evaluate projects not specifically covered by State law;

NOW, THEREFORE, BE IT RESOLVED by the Economic Development Authority of the City of Norwood Young America, Minnesota, shall consider requests for business assistance using the following Business Subsidy Policy:

1. PURPOSE

- A. The purpose of this document is to establish the City of Norwood Young America's (hereinafter referred to as "City") criteria for granting of business subsidies, as defined in Minnesota Statutes 116J.993, Subdivision 3, for private development. These criteria shall be used as a guide in processing and reviewing applications requesting business subsidies.
- B. The criteria set forth in this document are guidelines only. The City reserves the right in its discretion to approve business subsidies that vary from the criteria stated herein if the City determines that the subsidy nevertheless serves a public purpose.
- C. The City may amend this document at any time. Amendments to these criteria are subject to public hearing requirements pursuant to Minnesota Statutes, Sections 116J.993 through 116J.995.

2. STATUTORY LIMITATIONS

- A. In accordance with the Business Subsidy Criteria, Business Subsidy requests must comply with applicable State Statutes. The City's ability to grant business subsidies is governed by the limitations established in Minnesota Statutes 116J.993 through 116J.995.

3. PUBLIC POLICY REQUIREMENT

- A. All business subsidies must meet a public purpose other than increasing the tax base. Job retention may only be used as a public purpose in cases where job loss is imminent and demonstrable.

4. BUSINESS SUBSIDY APPROVAL CRITERIA

- A. All new projects approved by the City should meet the following minimum approval criteria. However, it should not be presumed that a project meeting these criteria would automatically be approved. Meeting these criteria creates no contractual rights on the part of any potential developer or the City.
- B. The business subsidy shall be provided within applicable state legislative restrictions, debt limit guidelines, and other appropriate financial requirements and policies.
- C. The project must be in accord with the Comprehensive Plan and Zoning Ordinances, or required changes to the plan and ordinances must be under active consideration by the City at the time of approval.
- D. Business subsidies will not be provided to projects that have the financial feasibility to proceed without the benefit of the subsidy. In effect, business subsidies will not be provided solely to broaden a developer's profit margin on a project. Prior to consideration of a business subsidy request, the City may undertake an independent underwriting of the project to help insure that the request for assistance is valid.
- E. Prior to approval of a business subsidies financing plan, 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 that the City or its financial consultants may require in order to proceed with an independent underwriting.

- F. Any developer requesting a business subsidy should be able to demonstrate past successful general development capability as well as specific capability in the type and size of development proposed.
- G. The developer must retain ownership of the project at least long enough to complete it, to stabilize its occupancy, to establish the project management and to initiate repayment of the business subsidy, if applicable.
- H. A recipient of a business subsidy must make a commitment to continue in the City for at least five years after the benefit date.
- I. Any business subsidy will be the lowest possible level and least amount of time necessary, after the recipient maximizes the use of private debt and equity financing first.
- J. Recipients of any business subsidy will be required to meet wage and job goals determined by the City on a case-by-case basis, giving consideration to the nature of the development, the purpose of the subsidy, local economic conditions and similar factors. /However, for purposes of meeting the requirements of state law, the wage floor for wages to be paid for the jobs required shall be \$12 per hour. The City will seek to create jobs with higher wages as appropriate for the overall public purpose of the subsidy.
- K. All business subsidies shall be reviewed and approved by the Economic Development Authority and City Council. In addition, any business subsidy for \$100,000 or greater will be subject to a public hearing.
- L. In granting a business subsidy, the Grantor shall enter into a subsidy agreement with the recipient that provides the information, wage and job goals, commitments to provide necessary reporting data and recourse for failure to meet goals required by the Statutes.

5. PROJECT EVALUATION CRITERIA

- A. All requests will be evaluated under the general criteria in Section 1 to 4 and the specific criteria in this Section. Changes in local markets, costs of construction, and interest rates may cause changes in the amounts of tax increment subsidies that a given project may require at any given time.
- B. Some criteria, by their very nature, must remain subjective. However, wherever possible "benchmark" criteria have been established for review purposes. The fact that a given proposal meets one or more "benchmark" criteria does not mean that it is entitled to funding under this policy, but rather that the City is in position to proceed with evaluations of (and

comparisons between) various business subsidy requests, using uniform standards whenever possible.

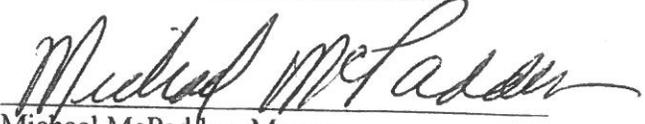
C. Following are the evaluation criteria that will be used by the City:

1. All business subsidy requests should optimize the private development potential of a site.
2. All business subsidy requests should obtain the highest possible private to public financial investment ratio. For Tax Increment requests, the City establishes a limit of 5 to 20 percent of total project costs to be funded by TIF for manufacturing/warehouse projects. Housing and retail/commercial projects shall be reviewed on an individual basis.
3. All business subsidy requests should create or retain the highest feasible number of jobs on the site at the highest feasible wages.
4. All redevelopment subsidy requests should create the highest possible ratio of property taxes paid before and after redevelopment. Given the different circumstances in the City, this ratio will vary widely. However, under normal circumstances, the City will expect at least a 1:2 ratio of taxes paid before and after redevelopment.
5. All business subsidy requests will be reviewed to determine the feasibility to provide the City with equity participation in new developments (through a share of the profits), or to treat the business subsidy as a second mortgage with fixed payments.
6. All business subsidy requests involving displacement of low and moderate-income residents should give specific attention to the re-housing needs of those residents. Normally, this should be done as a part of the business subsidy. Adequate solutions to these re-housing needs will be required as a matter of public policy.
7. All business subsidy requests will need to meet the "but for" test. Business subsidies will not be granted unless the need for the City's economic participation is sufficient that, without assistance the project could not proceed in the manner as proposed.
8. Business subsidies will not be used when the developer's credentials, in the sole judgment of the City, are inadequate due to past track record relating to completion of projects, general reputation and/or bankruptcy, or other problems or issues considered relevant by the City.

9. Business subsidies will not normally be used for projects that would generate significant environmental problems in the opinion of the local, state or federal governments.

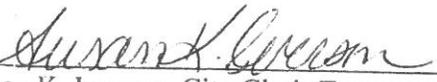
Adopted by the Economic Development Authority this 27th day of September, 2004.

CITY OF NORWOOD YOUNG AMERICA



Michael McPadden, Mayor

ATTEST:



Susan K. Iverson, City Clerk-Treasurer

Municipal Subsidy Policy & Guidelines



**Created by the Waconia City Council
Adopted 09/19/2005
Updated 6/06/2016**

CITY OF WACONIA
POLICY AND PROCEDURES RELATING TO THE USE OF MUNICIPAL SUBSIDIES

I. PURPOSE

The purpose of this policy is to establish guidelines and criteria regarding the use of municipal subsidies, such as tax increment financing (TIF), tax abatement, and other business subsidies for private development projects within the City of Waconia and shall be in addition to the requirements and limitations set forth provisions of Minnesota law.

These guidelines shall be used in processing and reviewing applications requesting municipal subsidies assistance. The fundamental purpose of municipal subsidies in the City is to encourage desirable development or redevelopment that would not otherwise occur "but for" the assistance provided through municipal subsidies.

Of the utmost importance is protecting the financial interest of the City of Waconia, so it is the intent of the City to provide a minimum amount of municipal subsidies, as well as other incentives that the City may deem appropriate, at the shortest term required for the project to proceed. The City reserves the right to approve or reject projects on a case-by-case basis, taking into account established policies, specific project criteria, and demand on city services in relation to the potential benefits to be received from a proposed project. Meeting policy guidelines or other criteria does not guarantee the award of municipal subsidies. Furthermore, the approval or denial of one project is not intended to set precedent for approval or denial of another project.

Whenever possible it is the City's intent to coordinate the use of municipal subsidies with other applicable taxing jurisdictions.

II. OBJECTIVES OF MUNICIPAL SUBSIDIES

As a matter of policy, the City of Waconia will consider using municipal subsidies to assist private development projects to 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.
- To enhance and diversify the City of Waconia's economic base.
- To encourage additional unsubsidized private development in the area, either directly or indirectly through "spin off" development.
- To achieve development on sites that would not be developed without municipal subsidies assistance.
- To remove blight and/or encourage development of commercial and industrial areas in the city that result in higher quality development or redevelopment and private investment.
- To offset increased costs of development of specific properties when the unique physical characteristics of the site may otherwise preclude private investment.
- To create opportunities for the construction, operation and maintenance of affordable housing.

III. GENERAL POLICIES FOR THE USE OF MUNICIPAL SUBSIDIES

- Municipal subsidy assistance will be provided from the City, by a “pay-as-you-go” note method, to the developer if the municipal subsidy is tax increment financing or tax abatement. All taxes, assessments, and other governmental charges on the subject property must be current before a subsidy payment will be made to the developer.
- A developer requesting municipal subsidy assistance must demonstrate, to the satisfaction of the City, sufficient cash equity investment in the project.
- Municipal subsidy will not be provided in circumstances where land and/or property price is demonstrated by the City designated Assessor to be in excess of fair market value.
- A developer must be able to demonstrate to the City, or, if applicable, to the underwriting authority, a market-demand for a proposed project.
- Municipal subsidy will not be used in cases where the subsidy would create an unfair and significant competitive financial advantage over other similar projects in the area.
- Municipal subsidy will not be used for projects that would place extraordinary demands on city infrastructure and services.
- If requested by the City, the developer shall provide adequate financial guarantees to ensure completion of the project, including, but not limited to: assessment agreements, letters of credit, cash escrows, and personal guaranties.
- Each developer must be able to demonstrate to the City’s satisfaction, an ability to construct, operate, and maintain the proposed project based on past experience, general reputation, and credit history.
- If requested by the City, or its consultants, the developer shall provide sufficient market, financial, environmental, or other data relative to the successful operation of the project.
- Projects receiving municipal subsidy approval from other affected taxing jurisdictions will be more favorably received by the City.

IV. GUIDELINES FOR MUNICIPAL SUBSIDIES

- Municipal subsidies may be used for on-site retail or service businesses if the project demonstrates that it will result in a substantial increase in tax base and a significant improvement in quality employment.
- The project must be consistent with the City’s Zoning and Comprehensive Plan.
- The project must result in the retention of existing jobs that would be lost “but for” the proposed development or result an increase and diversification in local jobs. Specific wage and job goals will be determined by the City on a case-by-case basis giving consideration to the nature of the development, the purpose of the subsidy, local economic conditions and similar factors.

Project Type	Commercial	Industrial
Job Creation Goal	At least 3 FT or FTE	1 FT or FTE for each \$25,000 in assistance provided.
Wage Goal	At least 125% of State or Federal Minimum Wage* (\$11.25/hr)	At least 150% of State or Federal Minimum Wage* (\$13.50/hr)

*Whichever is higher

- 📌 Municipal subsidies will not be used for speculative non-owner occupied projects that have letters of intent or pre-leasing agreements for less than 80 per cent of the available leaseable space.
- 📌 Municipal subsidies will not be used for commercial/industrial projects that have a history of inconsistent compliance with applicable environmental rules and regulations.
- 📌 The developer shall be responsible for all costs incurred by the City.

V. GUIDELINES FOR HOUSING-RELATED MUNICIPAL SUBSIDIES

- 📌 Municipal subsidy may be utilized to assist the city in meeting its commitment, to the Met Council Livable Communities initiatives for new housing units developed to meet defined long term affordability requirements.
- 📌 Projects must meet Minnesota Housing Finance Agency (MHFA) tax credit development requirements.
- 📌 The management company must be approved by the City for the length of the district.
- 📌 A change in project ownership requires prior written approval by City for the length of the district.
- 📌 Municipal subsidy may be utilized only to leverage MHFA tax credits or similar assistance.
- 📌 Minimum of 30% equity investment in the project by the owner is required
- 📌 Payment of a non-refundable application fee will be required.
- 📌 Reserve requirement for long-term capital improvements -\$300 per unit/per year.
- 📌 A developer must have previous favorable experience developing and operating affordable housing developments.
- 📌 Maximum term of 10 years to 15 years dependent on rent requirements (e.g. the lower the rent, the longer the term).
- 📌 The developer shall be responsible for all costs incurred by the City.

VI. SUBSIDY AGREEMENT AND REPORTING REQUIREMENTS

Individuals or business developers receiving municipal subsidies assistance from the City shall enter into appropriate agreements that identify the reason for the subsidy, the public purpose served by the subsidy, and the specific goals to be attained. All agreements and reports, whether required by the State of Minnesota or the City, shall be timely prepared and filed.

Failure to comply with any of these requirements may result in a revocation of the requested subsidy as well as fines, repayment requirements, and a determination that the individual or business is ineligible for loans or grants from public entities for a period of years.

VII. SUBSIDY APPLICATION PROCESS AND PROCEDURE

- 📌 Application for municipal subsidies shall be made on forms provided by the City Administrator. A non-refundable fee of \$ 5,000.00 or 2% of the requested municipal subsidy, whichever is less, shall accompany the application to cover initial legal, administrative, and planning costs. Following a review by the City Administrator the application shall be referred to the City Council for further action. The Developer

is responsible for all costs incurred by the City and will be invoiced for all administrative and consultant costs.

- Among other things, the application for municipal subsidies shall request information relating to the applicant; a detailed description of the project; a preliminary site plan; the amount of business subsidy requested; the public purpose of the project; the number and types of jobs to be created; the wages and benefits to be paid new employees; verifiable funding sources and uses; and a “but for” analysis which demonstrates the need for public assistance.

This municipal subsidy policy and guidelines was adopted by the Waconia City Council on September 19, 2005.

Wage Goals were updated with current minimum wage standards on June 6, 2016

***City of Chanhassen
Business Subsidy Guidelines***



***Approved October 11, 1999
Amended April 28, 2003
Amended September 24, 2018***

CITY OF CHANHASSEN

BUSINESS SUBSIDY GUIDELINES

GENERAL PURPOSE

Economic development incentives are financial tools that enable the City of Chanhassen to provide opportunities and benefits for its businesses and residents. Incentives can take a variety of forms, including, but not limited to: grants, tax increment financing, tax abatement, and sewer access credits. The City of Chanhassen provides economic development incentives in order to achieve its long-range vision of creating a diverse and sustainable economic base. This is achieved in part through the creation and retention of quality, high paying jobs. A diverse and sustainable economy offers opportunity for improved quality of life for the residents of Chanhassen. Economic development projects may also achieve other worthwhile goals. For instance, some projects provide value to the community in the forms of infrastructure improvements, stabilization of business districts or neighborhoods, or concentration of selected industries.

The City of Chanhassen reserves the right to approve or reject subsidies for 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 the guidelines in this document 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 City of Chanhassen can deviate from these guidelines for projects that supersede the objectives identified herein. Any applicant who is not in good standing with the City, in regards to licenses, fees or other specific charges, will not be considered for business subsidies.

OBJECTIVES

The City of Chanhassen may consider offering a business subsidy or incentive in order for a project to achieve one or more of the following objectives:

- To increase the City's tax base.
- 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.
- To support projects that provide value in the forms of needed transportation and other utility infrastructure improvements 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 a business subsidy.
- To remove blight and/or encourage redevelopment of commercial and industrial areas that will 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 a diversification of housing stock available within the community.
- To support a project that will improve the quality of life in the City by providing a desirable good or service and addressing 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 energy conservation, and decreasing capital and/or operating costs of local government.
- To support the retention and/or adaptive re-use of buildings of historical or architectural significance.

ECONOMIC DEVELOPMENT INCENTIVE PROGRAMS

The application and subsequent use of these programs is at the discretion of the Chanhassen City Council, and may include additional applications, policies, and procedures.

- 1) **Tax Abatement:** The City of Chanhassen is granted the power to utilize tax abatement by the State of Minnesota. The fundamental purpose of tax abatement is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided through the tax abatement. The City utilizes "Pay-As-You-Go" Tax Abatement, which relies on the developer to pay for the up-front project costs with reimbursement from tax abatement.
- 2) **Tax Increment Financing:** The City of Chanhassen is granted the power to utilize tax increment financing (TIF) by the State of Minnesota. The fundamental purpose of TIF is to encourage desirable development or redevelopment that would not otherwise occur but for the assistance provided through TIF. The City utilizes "Pay-As-You-Go" TIF, which relies on the developer to pay for the up-front project costs with reimbursement from tax increment.
- 3) **MN DEED Programs:** There are a variety of programs available through the State of Minnesota DEED division. They include the Job Creation Fund and Minnesota Investment Fund, among others. In order for a business to utilize these programs it is typical for MN DEED to ask for support and cooperation from the city. Chanhassen has worked with MN DEED in the past on projects and would consider the use of these programs in the future on a case-by-case basis.

APPLICATION PROCESS

1. The City reserves the right to:
 - a) Request additional information.
 - b) Deny any application.
 - c) Select a third party administrator to assist in the management of the process.

2. Applicant should retain and be assisted by qualified financial consultants and/or underwriters, and legal counsel.
3. Construction of the project shall not be commenced until the City has given preliminary approval to the application for financing. Any advanced planning or construction completed will be done at the sole risk of the applicant.
4. Applicants should complete the appropriate planning application, and include a plans and/or narratives that outline the following:
 - a) The specific request (program, amount)
 - b) The reasoning and need for assistance
 - c) Description of the company
 - d) A concept plan and description of the project
 - e) The number of jobs created and total compensation (breakdown of wages and benefits)
 - f) Impact to the tax base
 - g) Other impacts to the community
 - h) Traffic demands
 - i) Infrastructure demands and/or needs
 - j) Any additional information that would be helpful to staff and City Council
5. Development must be of the highest quality with high quality building materials and landscaping as agreed between the City and the Developer.
6. If establishing a TIF district, the developer must pay all costs of establishing the district unless the City agrees to allow costs to come out of the district.
7. All projects must be consistent with Chanhassen's Comprehensive Plan and any other similar plan or guide for development of the community.

ADDITIONAL INFORMATION

1. City staff will review the data and make preliminary recommendations to the City Council as to compliance of the application and proposed project with City objectives, and business subsidy criteria, and Comp Plan.
2. After evaluation of the formal recommendation, the City Council will consider approval of the establishment of the Business Subsidy and hold the appropriate hearings.
3. All applications and supporting materials and documents shall become the property of the City.



TO: Economic Development Commission
FROM: Karen Hallquist, Economic Development Marketing Director
DATE: June 10, 2020
SUBJECT: Grant Project Updates

Small Cities Development Program Grant

The following properties have submitted applications for the Small Cities Development Program Grant. They are all currently working with Brenda Lano, Carver Co CDA and Metro West Inspections on their scope of work and bidding process. There is a scheduled check-in meeting with Lano on Thursday, June 11, 2020 at 2pm for a detailed update of each project. This information will be forwarded to Commissioners and Council.

- 15 2nd Ave SE – CPS Holdings (Strong) Waconia Dodge
- 115 Main St – CPS Holdings (Strong) Waconia Dodge
- 124 W Elm St – Trusted Insurance (old Debner Insurance bldg.)
- 201 Main St E – Ernst Holdings (blue apts on corner of Main/2nd Ave)
- 216 Main St E – Ernst Holdings (rental/comm bldg.)
- 105 Main St E – Northside Grill
- 210 Elm St W – On Point Nutrition – A&B Investments
- 325 Elm St W – The Pour House
- 224 Elm St W – Quilting Grounds
- 224 Main St E – Laundromat/Rental

NYA Market Enrichment Program Grant

The following properties have submitted applications and have been approved for \$10,000 each for improvements to their properties. Staff has been meeting with them to have Promissory Notes and

- 311 W Railroad Street (Xtreme Electric)
- 508 N Faxon Road (NAPA Auto Parts of Norwood Young America)
- 309 N Faxon Road (Car Quest Auto Parts)

Two other business owners have picked up applications along with the potential for two more.

Action

Commissioners are requested to discuss the possibility of utilizing additional Revolving Loan Funds to cover more application requests.

Norwood Young America



TO: Economic Development Commission

FROM: Karen Hallquist, Economic Development Marketing Director

DATE: June 10, 2020

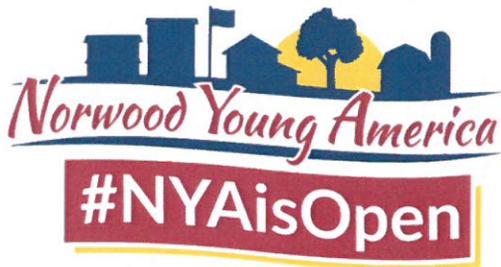
SUBJECT: Hwy 212 Construction Marketing Plan

The Highway 212 and CR 33/Hwy 5 Roundabout projects were both scheduled to start the week of June 8, 2020. Marketing materials for #NYAisOpen are continuing to be used in the City's monthly newsletters, social media postings and billboards (being put up this week). #NYAisOpen Business Survival Kits are being distributed around NYA and Hamburg – kits include 100 trifold brochures and holder, a poster, table-top tent and small construction cone. Information includes maps, renderings and explanations of the different stages of construction.

Action

Discussion Only

Norwood Young America



Business Survival Kit

WHAT'S INCLUDED:

TANGIBLES

- 100 Brochures and 1 Plexiglass Brochure Holder
- 1 Table Tent
- 1 Poster
- 1 Small Traffic Cone

Contact us to order your FREE kit!
economicdev@cityofnya.com or 942-467-1800



ELECTRONIC

- **Facebook & Instagram Posts**
 The city will be posting project related information messages on Facebook and Instagram.
- **Facebook & Instagram Business Spotlight Posts**
 The city has also been posting #NYAisOpen business posts on Facebook and Instagram. This has worked well to get the word out about what level of open the businesses in the city have. Please notify us if you would like to be included, and notify us as your operating hours change.
- **#NYAisOpen**
 We will be encouraging people to share their own personal #NYAisOpen highlights on social media. We are recognizing that travel to and through Norwood Young America may take a little longer, but we appreciate your patience as improvements are happening! Using the #NYAisOpen hashtag, we will look to develop community involvement in the project and create a fun experience. We are encouraging businesses to take photos with happy customers and post them online using the hashtag #NYAisOpen.
- **Postings to the City's Website with Project Updates and Project Overview Map PDF to Download**



Questions about the Survival Kit, the #NYAisOpen campaign or additional project details?
Call us anytime at 952-467-1800

