

## **City of Ada, Minnesota Business Subsidy Criteria**

The following business subsidy criteria are intended to satisfy the requirements of Minnesota Statutes 116J.993 through 116J.995 (the "Act"). The Term "City" means the City of Ada.

### **Criteria**

The City hereby expresses its support for the use of business subsidies that meet one of the criteria listed below.

1. But-for Test. There is a substantial likelihood that the project would not go forward without the business subsidy requested. This criteria must be supported by representations of the applicant for business subsidy.
2. Redevelopment. The project will remove, prevent or reduce blight or other adverse conditions of the property, thereby protecting the City's property values and the general public health, safety, and welfare.
3. Attraction of New Business. The project will attract or retain competitive and financially strong commercial and industrial companies, which offer the potential for significant growth in employment and tax base.
4. Highest and Best Land Use. The use of the business subsidy will encourage quality construction and promote the highest and best use of land, consistent with the City's Comprehensive Plan.
5. Needed Services. The project will provide a needed service in the community, including health care, convenience and social services which are not currently available.
6. Unmet Housing Needs. The project will provide housing alternatives the community currently needs but are not available.
7. Economic Feasibility. The recipient can demonstrate that it has experience and adequate financing for the project, and that the project can be completed in a timely manner.
8. Impact on City Services and Infrastructure. The project will not significantly and adversely increase the demands for service needs in the City.
9. Job Creation. The project will create or retain jobs which pay at least the minimum wage established by the State of Minnesota. The City may take into account the special needs of small or growth-phase businesses with potential to create high paying jobs in the future.
10. Tax Base. The project will increase the City's tax base and generate new property tax revenue.

### **Evaluation**

The City will evaluate each request for a business subsidy on a case by case basis. Applicants for assistance shall complete an application form and supply all additional information requested by the City. Meeting all or a majority of our criteria does not mean a subsidy will be awarded or denied. A decision to approve or reject a request for subsidy will be based on the merits of the project and the overall benefit to the community.

### **Valuation of a Business Subsidy**

The City will calculate the value of assistance provided to a business in the following manner.

1. If the subsidy is a contribution or sale of real or personal property, the amount of the subsidy will be the fair market value of the property as determined by the City, less any amount paid.

2. If the subsidy is a loan, the amount of the subsidy will be the principal amount of the loan.
3. If the subsidy is a loan guarantee, the amount of the subsidy will be principal amount of the loan guaranteed.
4. If the subsidy takes the form of payments over time (such as pay-as-you-go tax increment) the amount of the subsidy will be the sum of projected payments, discounted to a present value using a discount factor determined by the City.

**City of Ada, Minnesota**

**Business Subsidy Application**

Business Name: _____ Business Address: _____ City: _____ State: _____ Zip: _____ Contact Person: _____ Daytime Phone: _____ Evening Phone: _____	<p align="center"><i>For office use only:</i></p> Application # _____ Date Received _____ Development District _____ Finance District _____ Application Fee Paid _____
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Type of assistance requested:

Tax Increment    
  Tax Abatement    
  Low Interest Loan    
  Other (please specify)

Amount of assistance requested: \$ \_\_\_\_\_

Projected start date: \_\_\_\_\_     Projected completion date: \_\_\_\_\_

**Project Information**

*Please attach a description of the proposed project.*  
*Please attach a description of why the assistance is needed, be specific.*

Estimated Costs (please itemize)	Financing Sources (please itemize)
_____ \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
_____ \$ _____	_____ \$ _____
Total Costs                      \$ _____	Total Funds                          \$ _____

Project Site:

Parcel #'s: \_\_\_\_\_

*Please attach a legal description of the property.*

If the assistance is for a building project:

Estimated value *after* project completion:                      \$ \_\_\_\_\_

Size of Building \_\_\_\_\_ sq. ft.                                  Building Type \_\_\_\_\_

Function of Building: \_\_\_\_\_

*Provide a sketch plan and/or site plan for the project.*

**Public Purpose and Job Creation Information**

What benefits will the City and its residents gain if assistance is provided?

Job Creation     
  Job Retention     
  Job Training     
  Land Clean Up  
 Tax Base     
  Removal of Blight     
  Redevelopment     
  Other(please list)

If job creation is part of your proposal please list:

# of full-time jobs created      \_\_\_\_\_      # of part-time jobs created      \_\_\_\_\_  
 Average full-time salary      \$ \_\_\_\_\_      Average part-time salary      \$ \_\_\_\_\_

**Banker's Information**

Name of Bank: \_\_\_\_\_      Contact Name: \_\_\_\_\_  
 Address: \_\_\_\_\_      Phone Number: \_\_\_\_\_

**Ownership/Company Information**

Type of company (corporation, etc): \_\_\_\_\_

Owner(s) name(s): \_\_\_\_\_      Address: \_\_\_\_\_

Phone number: \_\_\_\_\_      Is there a parent company? \_\_\_\_\_

*If there is a parent company, please describe the relationship in detail.*

Has the business, owners or parent company ever declared bankruptcy? No \_\_\_\_\_ Yes \_\_\_\_\_

*If yes is checked, you must include information about the bankruptcy.*

Has your business or parent company received a business subsidy, for this or any other project, from another Minnesota unit of government during the past 5 years?

Yes \_\_\_\_\_      No: \_\_\_\_\_

*If yes is checked, please attach a description of the subsidy and by whom it was provided.*

This application must be accompanied by a \$ \_\_\_\_\_ application fee. Depending upon the type of assistance requested, you may also be required to provide the City with a deposit to cover administration and consulting expenses associated with your project. Unused funds will be returned upon completion of this process. Additional financial information may be requested by the City, including historical financials and projected pro formas. The applicant agrees to provide additional information if requested by the City.

\_\_\_\_\_      \_\_\_\_\_      \_\_\_\_\_  
 Applicant      Title      Date