A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KANDIYOHI

APPROVING A BUSINESS SUBSIDY POLICY

BE IT RESOLVED by the City Council of the City of Kandiyohi, Minnesota, as follows:

Business Subsidy Policy

This policy is adopted for purposes of the business subsidies act (the, "Act'), which is Minnesota Statutes, Sections 116J.993 through 116J.995. Terms used in this Policy are intended to have the same meaning as used in the Act, and this Policy shall apply only with respect to subsidies granted under the Act if and to the extend requited thereby.

While it is recognized that the creation of good paying jobs is a desirable goal which benefits the community, it must also be recognized that not all projects assisted with subsidies derive their public purposes and importance solely by virtue of job creation. In addition, the imposition of high job creation requirements and high wage levels may be unrealistic and counter-productive in the face of larger economic forces and the financial and competitive circumstances of an individual business.

With respect to subsidies, the determination of the number of jobs to be created and the wage levels thereof shall be guided by the following principles and criteria:

- The specific wage floor for each project will be the Federal minimum wage. The City may deviate from this criterion by documenting in writing the reasons for the deviation and attaching a copy of that document to the next annual report to DEED.
- If the creation or retention of jobs is determined by the City not to be a specific goal of the subsidy, the subsidy may be approved without such goals after public hearing on that question.
- In cases where the objective is the retention of existing jobs, the recipient of the subsidy shall be required to provide reasonably demonstrable evidence that the loss of those jobs is imminent.
- The setting of wage and job goals must be sensitive to prevailing wage rates, local economic conditions, external economic forces over which neither the grantor nor the recipient of the subsidy has control, the individual financial resources of the recipient and the competitive environment in which the recipient's business exists.
- Because it is not possible to anticipate every type of project which may in its context and time present desirable community building or preservation goals and objectives, the governing body must retain the right in its discretion to approve projects and subsidies which may vary from the principles and criteria of this policy.

Adopted this 17th day of October 2011.

Craig Aurand

Craig Aurand, Mayor

ATTEST:

Sue Kidrowski

Sue Kidrowski, City Clerk/Treasurer

The motion for the adoption of the foregoing resolution was made by Councilmember Larson and duly seconded by Councilmember Howard. Upon a vote being taken the following members voted in favor thereof:

Woltjer, Howard, Larson, Monson

Those against same: None.