

BUSINESS SUBSIDIES CRITERIA POLICY

Exhibit A

ECONOMIC DEVELOPMENT ABATEMENT PROCEDURE

1. Abatements will be considered on a case by case basis.
2. For an abatement request to be considered, an Economic Development Abatement Worksheet (Exhibit B attached) must be submitted to the City of Spring Grove Economic Development Abatement Committee, through the Spring Grove City Auditor. The worksheet must be received by the City by July 1st or January 1st.
3. Each Economic Development Abatement Worksheet will be reviewed by the members of the City of Spring Grove Economic Development Abatement Committee. The City of Spring Grove Economic Development Abatement Committee will consist of one member appointed by each commissioner. In addition, the City Auditor and the City Assessor will serve as ex-officio members of this committee.
4. The committee, with staff input, will ascertain from the worksheet whether the abatement request meets statutory criteria.
5. Total tax abatements in the City cannot exceed five percent (5%) of the current net levy (M.S. 469.1813, Subd. 8).
6. In addition, the committee will consider Spring Grove city policy with regard to the granting of economic development abatements.
7. If the committee votes to deny the abatement request, the property owner or representative will be notified in writing within two weeks subsequent to the committee meeting.
8. If the committee votes to approve the abatement request, it will be forwarded to the City Council.
9. The City Council will develop a proposed resolution which specifies:
 - A. The nature and extent of the public benefit resulting from the abatement.
 - B. The terms of the abatement
 - (1) Amount
 - (2) Duration
 - a. Up to ten years allowed
 - b. If not specified, the abatement will be in effect for eight years

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c. Other (City Council may limit the abatement in any other manner it deems appropriate.)

10. The City Council will hold a public hearing on the abatement.
11. The City Council will consider for adoption a resolution for abatement.
12. The City will add to its levy amount the total estimated levy amount of all current year economic developments granted. Applications approved between September 16 of the previous year and September 15 of the current year will be considered current year abatements, and the total of such current year abatements granted shall be included within the proposed levy and final levy for the City. (May bond for the amount if the City wishes to provide abatement in advance.)
13. The City will pay the abatement to the property owner, lessee or a representative of bondholders as provided in the abatement resolution.
14. The economic development abatements will not be transferable to another party, should the property change hands.
15. Buildings vacated in order to occupy a building utilizing an economic development abatement, will not in turn, be eligible for an abatement

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Exhibit B

ECONOMIC DEVELOPMENT ABATEMENT WORKSHEET

DATE _____

1. Name of Property Owner: _____

2. PIN: _____

3. Description of expected financial benefit to City (The benefit must be equal or greater than the cost of the abatement.)

4. Description of public interest served by the proposed abatement

_____ Increase or preserve tax base. How?

_____ Provide jobs. When, how many, what type?

_____ Provide or help acquire or construct public facilities.
For which facilities? How?

_____ Redevelop or renew blighted areas. How?

_____ Provide access to services for residents. How?

5. Requested tax amount to be abated _____

6. Requested duration of abatement _____

7. Has an economic development abatement been requested or granted by the school district or city? If so, please include details of the request or the abatement.

Note: Economic development abatements may not be entered into if the property is located in a tax increment financing district.