

`COOK COUNTY/GRAND MARAIS EDA
BUSINESS AND HOUSING FUNDING POLICY
Final – approved 1/8/19

The following Business and Housing Funding criteria are intended to satisfy the requirements of Minnesota Statutes 116J.993 through 116J.994, as amended (the “Act”). The term EDA refers to the Cook County/Grand Marais Economic Development Authority. The term “project” means the development or property with respect to which the Business and Housing Funding is provided. The term “business funding” or “housing funding” means all financial assistance deemed to be a “business funding” or “housing funding” pursuant to Section 116J.993, subd. 3 of the Act. The term “City” means Grand Marais, the term “County” means Cook County.

A. CRITERIA

The EDA will consider and give preference to the following criteria when considering the approval of Business and Housing Funding:

1. But-For Test

The EDA in its sole discretion will determine whether there is a substantial likelihood that the project would not move forward without assistance requested. It is acceptable for this test to be supported solely upon the representations of the applicant.

Projects that do not meet this test will not be granted Business and Housing Funding.

2. Redevelopment

Projects that remove, prevent or reduce blight or other adverse conditions of property thereby protecting the City’s and County’s property values and the general public health, safety and welfare.

3. Attraction of New Business

Projects that 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 Use of Land

The use of the Business and Housing Funding will encourage quality construction and promote the highest and best use of the land, consistent with the comprehensive plans of the City and the County.

5. Needed Services

Projects that provide a needed service in the community, including health care, convenience and social services.

6. Unmet Housing Needs

Projects that provide housing needs not currently available in the community.

7. Economic Feasibility

The applicant must demonstrate that they have the experience and financing necessary for the project and that the project can be completed in a timely manner.

8. Job Creation

Projects that create and/or retain jobs which pay at least the higher of the current Federal or State of Minnesota minimum wage, plus appropriate benefits.

Whenever the EDA invests public funds or recommends to voluntarily forfeit tax or other revenue that benefits private development projects, those projects should create and/or retain the greatest number of FTE jobs that pay a living wage possible for the residents of the City and the County. The EDA may consider the special needs of small or growth-phase projects with potential to create high paying jobs in the future.

9. Tax Base

Projects that will directly and indirectly increase the City and County tax base and generate new property tax revenue.

10. Licensed and Insured Contractor

The applicant must engage a licensed contractor with appropriate insurance.

B. EVALUATION

The EDA will evaluate each request for Business and Housing Funding on a case by case basis. Applicants must submit a written request and supply all additional information requested by the EDA. Meeting all or a majority of the Criteria above does not mean funding will be awarded or denied. A decision to approve or reject an application for Business and Housing Funding will be based on the merits of the project and overall benefit to the community. Because of the fluid nature of economic and community development, the EDA reserves the right to deviate from the above Criteria if deemed in the best interest of the EDA, the City or the County.

C. VALUATION OF BUSINESS AND HOUSING FUNDING

The EDA will calculate the value of assistance provided to a project in the following manner:

1. If the funding is a contribution or sale of real or personal property, the amount of the funding will be the fair market value of the property as determined by the EDA, less any amount paid.
2. If the funding is a grant, the amount of the funding will be the amount of the grant.
3. If the funding is a loan, the amount of the funding will be the principal amount of the loan.
4. If the funding is a loan guarantee, the amount of the funding will be the principal amount of the loan guaranteed.
5. If the funding takes the form of payments over time (such as pay-as-you-go tax increment financing) the amount of the funding will be the sum of projected payments, discounted to a present value using a discount factor determined by the EDA.

The following are not considered Business and Housing Funding: Any assistance provided that meets a statutory exemption as defined by the Act.