

APPLICATION PROCEDURES FOR TAX INCREMENT OR TAX ABATEMENT

1. Meet with appropriate City Staff to discuss the scope of the project, public participation being requested, time schedule, and other information as may be necessary.
2. Completion of Preliminary Application for Tax Increment Financing and/or Tax Abatement. This form shall be submitted to the director of Planning & Economic Development along with a fee payment of \$100.
3. The request shall be reviewed by City Staff on a preliminary basis as to the feasibility of the project. The Staff shall prepare a report on the project.
4. The application shall be placed on the HRA/City Council agenda for concept review. The applicant may at that time make a formal presentation of the project.
5. If Planning & Zoning Commission action is required, it will be necessary for the applicant, at this time, to make application to the Commission for Concept Review.
6. Following the necessary financial analysis and preparation of detailed plans, the HRA/City Council shall take action on the project. If approved, the Staff will be directed to undertake the following steps:
 - Have a developer complete a Final Application for Tax Increment Financing and/or Tax Abatement.
 - Prepare a Redevelopment Agreement based upon the terms approved.
 - Prepare a Redevelopment Plan and Tax Increment Financing Plan if required.

At the time of submission of the Final Application for Tax Increment Financing and/or Tax Abatement, a \$1,000 deposit (cash or letter of credit) shall be required to defray costs involved with these steps. This deposit shall be refunded upon approval of a Redevelopment Agreement and Final Application for Tax Increment Financing and/or Tax Abatement.

7. It is understood that City/HRA Staff may from time to time determine that a different process than that which is outlined here is more appropriate, given the circumstances of each individual request.

CITY OF HOPKINS

PRELIMINARY APPLICATION TAX INCREMENT FINANCING AND/OR TAX ABATEMENT

Legal name of applicant: _____

Address: _____ Phone: _____

Name of contact person: _____

REQUESTED INFORMATION

Addendum shall be attached hereto addressing in detail the following:

1. A map showing the exact boundaries of proposed development.
2. Give a general description of the project including: size and location of building(s); business type or use; traffic information including parking, projected vehicle counts, and traffic flow; timing of the project; estimated market value following completion.
3. The existing Comprehensive Guide Plan Land Use designation and zoning of the property. Include a statement as to how the proposed development will conform to the land use designation and how the property will be zoned.
4. A statement identifying how the Tax Increment Financing and/or Tax Abatement will be used and why these funds are necessary to undertake the project.
5. A statement identifying the public benefits of the proposal including estimated increase in property valuation, new jobs to be created, and other community assets.
6. A prospectus of the developer's company or corporation, principals, history, and past projects.

SIGNATURE

Applicant's signature: _____ Date: _____

Application fee: \$100

CITY OF HOPKINS

**FINAL APPLICATION
TAX INCREMENT FINANCING AND/OR
TAX ABATEMENT**

GENERAL INFORMATION

Business name: _____ Date: _____

Address: _____

Type (partnership, etc.): _____

Authorized representative: _____ Phone: _____

Description of business: _____

Legal counsel: _____ Phone: _____

Address: _____

FINANCIAL BACKGROUND

1. Have you ever filed for bankruptcy? _____

2. Have you ever defaulted on any loan commitment? _____

3. Have you applied for conventional financing for the project? _____

4. List financial references.

a. _____

b. _____

c. _____

5. Have you ever used Tax Increment Financing before or requested financial assistance from a public source? ____ If yes, where and when? _____

PROJECT INFORMATION

1. Location of proposed project:

2. Amount of Tax Increment Financing or funds requested or length of Tax Abatement requested: _____
3. Explain in detail your need for Tax Increment Financing or Tax Abatement.

4. Present ownership of site: _____
5. Number of permanent jobs created as a result of project: _____
6. Estimated annual sales: present: _____ future: _____
7. Market value of project following completion of improvements: _____
8. Name and address of architect: _____

9. Anticipated start date: _____ Completion date: _____

FINANCIAL INFORMATION

1. Estimated project-related costs:

a. land acquisition	\$	
b. site development		
c. building		
d. equipment		
e. architectural/engineering		
f. legal		
g. off-site development costs		

2. Source of financing:

a. private financing institution	\$	
b. Tax Increment Financing		
c. Development Account funds		
d. other public funds		
e. developer equity		

3. Additional information (please attach):
 - a. preliminary financial commitment from bank
 - b. plans and drawing of project
 - c. background material for company
 - d. pro forma analysis
 - e. financial statements
 - f. statement of property ownership or control
 - g. payment of application fee--\$1,000
 - h. job creation/retention, including wages

CITY OF HOPKINS/HRA

Business Subsidy Criteria

1. PURPOSE

- 1.01 The purpose of these criteria is to establish the City/HRA's position as it relates to the use 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.
- 1.02 The City/HRA shall have the option of amending or waiving sections of these criteria when determined necessary or appropriate. Amendments to the criteria are subject to public hearing requirements pursuant to Minnesota Statutes, Sections 116J.993 through 116J.995. No public hearing shall be required to waive any provision of these criteria.
- 1.03 Existing City/HRA's programs that provide business subsidies are hereby revised to reflect the following Business Subsidy Criteria as deemed necessary and appropriate.

2. STATUTORY LIMITATIONS

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

3. PUBLIC POLICY REQUIREMENT

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

4. BUSINESS SUBSIDY CRITERIA

- 4.01 Meet all goals, criteria, or guidelines for the specific business subsidy program for which application is being considered.

5. BUSINESS SUBSIDY CRITERIA—JOBS

- 5.01 Recipients of business subsidies in instances where creation of jobs is the sole or primary public purpose will be encouraged to create the highest number of jobs at the highest feasible wage. However, the establishment of wage and job goals will take into account prevailing wage rates, local economic conditions, the individual financial resources of the recipient and wages paid by the recipient's competitors.

6. SUBSIDY AGREEMENT

6.01 A recipient must enter into a subsidy agreement with the City/HRA, which includes but is not limited to the following:

- Description of the subsidy
- Statement of public purpose
- Goals for the subsidy
- Description of the financial obligation of the recipient if the goals are not met
- Statement of the reason the subsidy is needed
- Commitment to continue operations at the site where the subsidy is used for a least five years after the receipt of all financial assistance
- Goals for jobs created, or where job loss is imminent, goals for jobs retained
- Reporting requirements to the City/HRA as detailed in MS116J.994, Subd. 7

7. EXCEPTIONS TO REQUIREMENTS

7.01 Recipients of business subsidies are not required to meet criteria for job creation or enter into a subsidy agreement if the financial assistance is not a “business subsidy” as defined in Minnesota Statutes Sec. 116J.993, Subd. 3.