

# **ECONOMIC DEVELOPMENT AUTHORITY and the CITY OF SPICER**

## **Policy on Financial Support for Business Development or Redevelopment**

### **1. PURPOSE**

- 1.01 The purpose of this policy is to establish the City of Spicer's and Spicer's Economic Development Authority position as it relates to giving financial support within the city limits to new businesses, and to redevelopment of an existing business or expansion of an existing business, and will includes bare lots and residential properties into a new business or commercial property.
- 1.02 This policy is intended to support economic activity within the City of Spicer, to improve the scenic landscape and to help increase the tax base of commercial properties within the City of Spicer.
- 1.03 The city shall have the option, by action of the City Council, to amend or waive sections of this policy when determined necessary or appropriate, and in keeping with the best interests of the city.

### **2. STATUTORY LIMITATIONS**

- 2.01 In accordance with the City of Spicer's and Spicer's Economic Development Authority policy for financial support to redevelopment projects that expand existing businesses, or development projects that convert or create new businesses in the City of Spicer, assistance requests and any related funding of a request must comply with all applicable statutes and ordinances.

### **3. ELIGIBLE USES FOR THE RECEIPT OF FINANCIAL SUPPORT FOR BUSINESS DEVELOPMENT, REDEVELOPMENT OR IMPROVEMENT OF EXISITING BUSINESSES.**

- 3.01 Financial assistance in cash may be used to pay for costs that are incurred in the process of developing new business property, or costs incurred in redeveloping or expanding existing businesses.

### **4. BUSINESS PROPERTY DEVELOPMENT, REDEVELOPMENT OR IMPROVEMENT APPROVAL CRITERIA**

- 4.01 Property owner(s) must request assistance in writing.
- 4.02 Property owner(s) shall obtain a building demolition permit from the Spicer Building Official.
- 4.03 Property owner(s) will present a plan or documentation showing the related redevelopment into the commercial or business property or development into the new business property will be included with the request. This documentation should also allow for proper determination of the costs that are incurred in the process of developing new business property or costs incurred in redeveloping existing business property.
- 4.04 A business plan may be required to be submitted that includes projected income(s) and expenses, along with current financial information.
- 4.05 The EDA and City will consider requests for assistance with costs under \$200,000 that are attempting to enhance the scenic beauty of an existing business.

- 4.06 This policy does not include consideration for expenditures made for normal maintenance, re-tooling or refurbishing of an existing business.
- 4.07 An adequate analysis or documentation supporting additional employee(s) will be presented with the request.
- 4.08 The City and the EDA may deny requests for assistance that they decide that do not meet with the intent to support economic activity within the City of Spicer, and/or improve the scenic landscape and/or that help increase the tax base of commercial properties within the City of Spicer.
- 4.09 The city and the EDA may deny requests from businesses that they believe are for non-viable entities or enterprises.

**5. LEVEL OF ASSISTANCE FOR A PROPERTY REDEVELOPMENT, EXPANSION OR NEW BUSINESS**

- 5.01 The level of cash assistance which the city may consider within this policy for any one project will be limited to:

**Commit \$10,000.00 assistance for levels of cost of improvement to property and employment**

**Qualifies for Small Improvement subsidy of 15% of expenditures for 1<sup>st</sup> \$200,000 incurred, up to a maximum amount of subsidy of \$10,000**

**At \$200,000 up to \$400,000, and 1 full time employment position, an additional \$10,000**

**At \$400,000 up to \$600,000, and an additional 1 full time employment position, an additional \$10,000 (At least 2 new full time employees)**

**At \$600,000 up to \$800,000, and one more additional full time employment position, an additional \$10,000 (At least 3 new full time employees)**

**At \$800,000 and above in total improvements, and one more additional full time employment position, an additional \$10,000 (At least 4 new full time employees)**

**Total possible, \$50,000 assistance at \$800,000 expenditures and 4 full time employment positions.**

- 5.02 **The city will consider use of Tax Increment Financing for all projects that exceed \$400,000**
- 5.03 Disbursement of the funds will normally be dispersed at the end of the project, after demonstrating full compliance with the building permit, proof of expenditures, and documentation supporting new employees, but in special situations may be disbursed before or during the project.