

City of Glyndon Public Hearing
Glyndon Business Subsidy Criteria
Modification of Municipal Development District No. 1, Modification of the Development Program
Relating Thereto: The Establishment of Tax Increment Financing District No. 1-3 Within Municipal
Development District No. 1-3 Within Municipal Development District No. 1 and Adoption of the Tax
Increment Financing Plan.
Business Subsidy to Monsanto Company
April 22, 2015 6:00 p.m.
Community Center

Council Members Present – Mayor Johnson, David Owings, Chris Jensen, Joe Olson
and Kimberly Savageau

City Staff Present – City Clerk Denise Anderson, Deputy City Clerk Wendy Affield, City Engineer Chris
Thorson, Financial Consultant Jason Murray/Drown Associates

Sign in Sheet – Blane Reed, Keith Jackson, and John Gulleon all representatives of Monsanto, Karen
Kringler, and Jeremy Scholz

The Meeting was called to order at 6:00 p.m. by Mayor Johnson who then turned the meeting over to
Jason Murray from David Drown and Associates. Mr. Murray pointed out that there are 3 discussion
points which need to be reviewed at this hearing. The first a Business Subsidy Policy which is required by
State Statue when a business subsidy or finance assistance is given to any type of private entity this
policy must govern that type of transaction for the community. The 2nd is the Tax Increment Financing
(TIF) Plan for Monsanto and the final conversation is the Business Subsidy Agreement with Monsanto
which will establish the goals set forth in the subsidy plan for Monsanto.

Business Subsidy Criteria – The Criteria must define the “but for” test, redevelopment, attraction of
new business, highest and best land use, needed services, unmet housing needs, economic feasibility,
impact on city services and infrastructure, job creation and tax base. Mr. Murray stated that the City
will establish a \$12.00 hourly wage included in that amount benefits may be considered in the creation
of new jobs. This amount was determined by the Minnesota State Municipal Occupational Wage
System. The Council examined the application form which was furnished by Mr. Murray.

The Establishment of Municipal District No. 1-3 - Mr. Murray explained that basically what the city
would be doing is capturing the new value of Monsanto’s project and agreeing to reimburse them over
time the difference of their new taxes versus their old taxes for consideration of improvements that
they are going to extend to their property. In this case they are adding water main and sewer main lines,
they are annexing into the city contingent on TIF (Tax Increment Financing). This TIF will be a pay as you
go. Council was directed to review the exhibits furnished in the TIF plan, Mr. Murray explained that the
purpose of the exhibits is to outline the City’s intent to define the jurisdiction in which this TIF is
intended for the State’s governing bodies to approve. Council also reviewed the projections of the
market value, tax capacity values and revenues over the 9 year relationship the City will have with
Monsanto. Once the construction project is completed and a certificate of occupancy is issued,

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Monsanto will need to submit to the City, Lien waiver's and receipts as related to the site improvements. These receipts will need to total \$528,000.00 or more, if it is less than that the city only pays for the amount of receipts turned in during the approved TIF timeline. Mr. Norman is currently working on a Developer's Agreement document which will need to accompany the TIF plan.

Business Subsidy Agreement - This particular agreement will be part of the Developer's agreement with Monsanto. There are 3 components to this agreement

1. Monsanto will construct an addition to their research facility and add at least 10 new full time jobs paying at least \$12.00 per hour. (Tying this back to the Business Subsidy Criteria)
2. Monsanto will finance and construct a public water and sewer to the site as reviewed and inspected by the City Engineer. The City will reimburse Monsanto for up to \$525,000 for utility and site improvement expenses using 90% of the TIF revenue the City will retain up to 10% for administration fees (The amount of \$525,000 has been rounded by Mr. Drown and Mr. Norman).
3. Within 2 years of the benefit date or the date Monsanto can occupy and operate out of the new facility they will have 2 years to create the 10 new jobs. There is a form that the City will submit to Monsanto on an annual basis to verify progression and insure the 10 new positions have been created. If the positions have not been created within the 2 year period, the law allows the City to extend that deadline for 1 year or the City may address the issue as a default in the agreement.

Overview of open discussion:

- Review of timeline for Monsanto to begin requesting building permits in relationship to the annexation. Should the Council approve the TIF plan then all of the other components for annexation and construction may move forward. An explanation of "Pay as you go" TIF, the city is not bonding any dollars up front but reimbursing Monsanto over a period of time which creates a straight forward economic development relationship.
- Monsanto representatives expressed that they are pleased and excited to become members of the Community.

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- Council member Savageau asked for clarification of a dollar amount of \$150,000.00 listed in the Business Subsidy Resolution. Mr. Murray stated that MN Statues states that any subsidy over \$150,000.00 must be governed by this Business Subsidy Statue. The City will collect tax base on the original market value because that cannot be included in the TIF.

A motion to adjourn the meeting was made by Chris Jensen, seconded by Kimberly Savageau
Mayor Johnson closed the meeting at 6:45 p.m.

Respectfully Submitted



Denise Anderson

City Clerk/Treasurer