

## **REPORT TO CLAY COUNTY BOARD OF COMMISSIONERS**

By Clay County Economic Development Authority Recommending Committee

**October 25, 2012** – With the knowledge that Tax Increment Financing (TIF) options are not currently available under Clay County's Business Subsidy Policy (See Addendum #1), a notice was sent to Political Subdivisions, Economic Development Authorities and Housing & Redevelopment Authorities in Clay County informing them that Clay County was considering forming a County Economic Development Authority, or to grant the powers to a housing & redevelopment authority. This would enable the County to consider granting TIF options to potential businesses which may want to locate or expand in Clay County but are outside a political subdivision.

**January 8, 2013** – The Clay County Board of Commissioners, Per M.S. 469.1082, Subd. 2, adopted Resolution No. 2013-5 appointing members to a committee to study and recommend an organizational option for a county economic development service provider. (See Addendum #2).

**January 29, 2013** - The initial meeting of committee members and staff was held (See Minutes, Addendum #3). Consensus of the committee was that of the four available options, the County Board should move forward with establishing a county economic development authority. The committee established a meeting schedule to allow for a report to the County Board of Commissioners within 90 days of its initial meeting (per M.S. 469.1082 Subd. 3). The report will be provided to the County Board no later than April 23, 2013.

**February 25, 2013** - The second meeting of the committee was held (See Minutes, Addendum #4). This meeting identified:

- Current levels of economic development and any gaps in programs and services (See Attachment C to Addendum #4)
- Current levels of housing and community development programs and services provided by the existing agencies (See Attachment D to Addendum #4); and
- The capacity and ability of the Clay County HRA to expand its services (See Attachment D to Addendum #4)

**Gap in Clay County Business Subsidy Program** – The Committee recognizes that Clay County does not currently have authority to offer a Tax Increment Financing option with the existing structure of the Business Subsidy Program.

### **RECOMMENDATION:**

The Committee recommends establishing a county economic development authority (EDA) to operate under MN Statute Sections 469.090 to 469.1081, except that the county shall not have the powers of Section 469.094 without the consent of an existing county housing and redevelopment authority operation within that county. For the purposes of a county economic development authority's operation, the county is considered to be the city and the county board is considered to be the city council.

Townships and cities must 'opt in' to the program in order for the County to exercise Economic Development Authority Tax Increment Financing authority in the geographical boundaries of the local government's subdivision (See Attachment B to Addendum #4).

The committee also determined that any city wishing to opt in to the proposed County EDA, acknowledges 'zero' as the distance from its boundary to be controlled by the city.