



Legislation Text

File #: 17-787, **Version:** 1

Date: April 27, 2017

To: Members of the Economic Development Authority

From: Nate Carlson, Economic Development Coordinator
Chris Heineman, Community Planning & Development Director

Northfield Business Subsidy Policy Review

Summary:

EDA Board shall review the recommended changes to the City of Northfield Business Subsidy Policy proposed by the EDA Executive Committee.

Background:

Following the March EDA meeting, the EDA Executive Committee convened on April 17 to review and recommend changes to the Northfield Business Subsidy Policy. The meeting minutes of the Executive Committee are attached to this report. Committee members discussed the concerns presented by the EDA Board. Additions to the policy Preamble were made. Executive Committee members directed staff to review the policy changes with City Attorney Chris Hood.

Staff received initial comments from City Attorney that primarily addressed specific state statutory language to be included in the final form of the Policy. The City Attorney also made reference to statutory requirement criteria for the “Living Wage Job” definition, and his comments were that “this is a policy issue for the City.”

The EDA Executive Committee discussed the meaning of “Living Wage Job” and agreed upon the following definition: “Shall mean a job which pays wages that total at least the rate of 150-percent of the current poverty level for a family of four.” A primary justification for using this formula to create the statutory required criteria of a “wage floor,” would result in a job paying \$17.74 per hour inclusive of benefits utilizing the 2017 ASPE Poverty Guideline. Executive Committee members agreed utilizing a formula based wage floor would help to account for market fluctuations. Other options could entail specific wage floor dollar figures. The following is a list of example wages used by other cities in Minnesota:

- Shakopee - \$19 per hour
- Faribault - \$10 per hour plus benefits
- Willmar - \$12 per hour
- Elk River - \$15 per hour

Staff will be reviewing additional comments from the City Attorney and update the Living Wage Job section based on EDA Board direction provided at the meeting. The current redline track-changes version of the Business Subsidy Policy is attached for your review. A final draft of the Business Subsidy Policy will be

presented at the May EDA meeting. If there is agreement at that time, the policy can be forwarded with a formal recommendation to the City Council for further action and approval.