

**CITY OF WALKER
PUBLIC HEARING MINUTES
BUSINESS SUBSIDY POLICY
Walker Fire Hall Meeting Room
Monday March 1, 2004, 6:45 p.m.**

CALL TO ORDER – Mayor Walhof

- Mayor Walhof called the Public Hearing to order at 6:45 p.m.
- Council members present: Finney, Reed, Bruns, Walhof
- Council members absent: Bresley
- Others present during portions of the public hearing included:

Stephen Michel, Administrator
Dean Morrill, Pilot Independent
John Fjelstul, Self
John Valen, City Attorney

Sylvia Bakker, City Employee
Amy Jones, Self
Jim Rogen, Self

Mayor Walhof opened the Public Hearing, to citizen comments and concerns and turned the Public Hearing over to City Administrator Steve Michel. Mr. Michel explained that the council had in front of them a copy of a draft Business Subsidy Policy. Michel explained that the Policy was developed with the help of Gail Leverson and other City and County business subsidy policies as examples. There are a couple of sections I would like to call your attention to. One of these areas is under III (Criteria for consideration of business subsidy) Section A. Job and wage goals. Item 2. The City needs to determine an average wage equal to or greater than 1.5 times, (\$7.73) 2 times, (\$10.30) or 1.75 times, (\$9.01) the federally mandated minimum wage. Initially I had thought we should go 2 times the Federal minimum wage (\$10.30) an hour or better when we start talking about living wage jobs, but have been cautioned that even though it's a great goal, you could end up with a start up business that may not be able to pay that in the beginning, effectively keeping a start up business out of the industrial park area. The suggestion is that the 1.75 might be a better number to use, (\$9.01 dollars an hour), using wages paid the owner, operator, CEO, on down to the lowest paid position dividing by the number of FTE's (full-time equivalent employees) would give you your number. Also under III, section D, item 5, is a clause that prohibits the resale (land speculation) of JOBZ Zone parcels for profit by the subsidy recipient. We need to deal with this matter in each individual business subsidy agreement, but also need to make reference to it in the business subsidy policy. What we don't want to have happen is someone coming in and arguing the case for an acreage larger than they need to locate on, and then have them become the developer and reseller of some of those acres for profit. We believe that the City is assuming the risk of being the developer and if we sell larger acres than necessary

for an initial start up company, we should be protected from someone profiting from the sale of property in a business subsidy zone. I would suggest a first right of refusal for a 5 to 6 year period, during which the City could repurchase the property for the same price it, was sold for. I ask that the council and citizens review the business subsidy policy, and feel free to ask any questions that need to be addressed.

John Fjelstul, stated he was concerned with the City Subsidizing businesses because it might discourage business locating here without subsidies. Mr. Fjelstul was also concerned about how many years did JOBZ Zone run, and the issue of the resale of the land.

Mr. Michel stated that this evening the City would pass a Business Subsidy Policy, which relates what the City's expectations are, of people that want to purchase property and locate a business within the Zone. The next step, at a special meeting to be held Monday March 8, 2004, will be having Public Hearings on two separate parcels of land we have offers on, and those Business Subsidy agreements will have specific language relevant to the resale of that property. All Business Subsidy agreements will have different language relevant to that individual property, because everybody's circumstance differs, so this section will have many different conditions, but again that will be addressed in the Business Subsidy Agreement, rather than the Policy.

Mayor Walhof, requested any other questions or comments.

Administrator Steve Michel stated as he reread item 5 again, he felt that there was a missing component, in the language and it should read something like The Local Unit of Government prohibits the resale (land speculation) of JOBZ Zone parcels for profit by the subsidy recipient as outlined in the Business Subsidy Agreement.

Upon no further comments and concerns Mayor Walhof adjourned the Public Hearing at 7:00 p.m.

Bradley J. Walhof, Mayor

Attest: _____
Stephen J. Michel, Administrator