

City of Northfield, Minnesota	Policy Number: 6.01
FINANCE	Adopted: 12/20/93: R2009-040
Addendum to Master Development Fund Policy	Revised: 11/07/94, 06/19/95, 05/04/09



2009-040

CITY OF NORTHFIELD, MINNESOTA
CITY COUNCIL RESOLUTION 2009-040

A RESOLUTION BY THE MAYOR AND CITY COUNCIL OF THE CITY OF
NORTHFIELD APPROVING AN ADDENDUM TO THE MASTER
DEVELOPMENT FUND POLICY

WHEREAS, the City of Northfield adopted a Master Development Fund Policy on December 20, 1993, which was amended on November 7, 1994, and again on June 19, 1995 (the Policy); and

WHEREAS, the Policy provides in section D, Funding Categories, that the City may allocate funds toward an assistance program that would serve a particular economic development purpose within the Master Development District, as identified as an addendum to the Policy and subject to its own application procedures and/or approval criteria; and

WHEREAS, the City has identified a need to provide gap financing for new and expanding businesses in the City that are seeking working capital funds to operate their businesses and create jobs in the City.

NOW, THEREFORE, the following Addendum to the Master Development Fund Policy is hereby approved:

1. **Project Categories**

In addition to the other project categories approved under the Policy, the City may approve expenditures from the Fund for working capital loans to businesses to operate their businesses and create new jobs in Northfield. The terms and conditions of the Policy shall apply to such loans except as modified hereby.

2. **Funding Criteria**

An applicant for a working capital loan must demonstrate the ability to create new jobs in the City.

3. **Low Interest Loans**

Loan interest rates shall be the prime rate according to the *Wall Street Journal* at the time of approval of the loan. The loan may be secured by a UCC financing statement (Form UCC1) against inventory and equipment in lieu of or in addition to a mortgage. Loans may be forgiven based on meeting specific job creation and retention criteria.

4. **Fund Disbursement**

The City shall disburse loan funds based upon compliance with the terms of a loan agreement and promissory note.

PASSED by the City Council of the City of Northfield on this 4TH day of May 2009.

ATTEST

Deb A Little

City Clerk

Mary Rossing

Mayor

VOTE:

Y ROSSING
Y ZWEIFEL

Y POWNELL
Y POKORNEY

Y BUCKHEIT
Y VOHS

Y DENISON

ITEM: Approve addendum to Master Development Fund

SUMMARY AND ACTION REQUESTED:

In 1993, the City developed a set of policies intended to guide its decisions as to appropriate expenditures from the Master Development Fund. In section D, Funding Categories, of Northfield's Master Development Policy it specifies that the City may allocate funds toward an assistance program that would serve a particular economic development purpose within the Master Development District as identified as an addendum to the Policy.

The Economic Development Director is requesting that the Northfield City Council approve an addendum to the Master Development Plan policy. The addendum provides flexibility for use of funds for economic development projects.

The following is an analysis of how this ordinance amendment relates to the Council's problem solving process:

Yes	No	Checklist
Yes		Does this project fit within the identified Council goals, objectives, and priorities? Goal #2
		Does the project fit within the estimated budget & resource parameters?
Yes		Is the public process identified consistent with the scope and implications of the project?
Yes		Have the pertinent boards and commissions been identified for providing review, recommendations, or input?
		Is this decision consistent with current city plans (Comp Plan, Transportation Plan, Park Plan, etc)?
		Have the future costs to city operations been calculated and identified?
Yes		Are there measurable criteria to aid with the decision-making and have they been identified?
Yes		Have the suitable timelines and schedules been identified?

RECOMMENDATION: Staff recommends that the City Council approve addendum to Master Development Policy.

ATTACHMENT: Resolution 2009-040

SUBMITTED BY: Jody T. Gunderson, Director of Economic Development