RESOLUTION NUMBER 2007-2

CALLING FOR A PUBLIC HEARING TO CONSIDER BUSINESS SUBSIDY AGREEMENT

BE IT RESOLVED, by the Board of the Economic Development Authority in and for the City of Wells, Minnesota (the "EDA"), as follows:

Section 1. Recitals.

1.01 The Act. The Minnesota State Legislature has enacted the Business Subsidy Act, set forth in Minnesota Statutes Sections 116J.993 through 116J.995 (the "Act").

1.02 Requirements. The EDA is subject to the requirements of the Act for business subsidies granted or entered into on or after August 1, 1999. The EDA may not grant a business subsidy in excess of $100,000 until the EDA has entered into a subsidy agreement with the recipient of the subsidy, after providing notice and holding a public hearing on the subsidy.

1.03 Business Subsidy. The Act defines a business subsidy as a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business.

1.04 Recipient. The Act defines a recipient as any for-profit and certain nonprofit business entities that receive a business subsidy.

1.05 Project. The EDA intends to enter into a business subsidy agreement with Wells Co-Pack Foods, Inc. (the "Business Subsidy Agreement") regarding providing a loan for the purchase of machinery and equipment.

Section 2. Public Hearing.

2.01 Public Hearing to be Conducted. In accordance with the Act, the EDA will conduct a public hearing to consider the Business Subsidy Agreement.

2.02 Notice. The Executive Director is authorized and directed to complete the public notice, substantially in the form attached hereto as Exhibit A, and cause the notice to be published in the official newspaper of the EDA prior to the date set for the public hearing.

Attest:
Wells Community Development Director

President, Wells Economic Development Authority

EXHIBIT A

NOTICE OF PUBLIC HEARING REGARDING AWARD OF BUSINESS SUBSIDY UNDER STATE OF MINNESOTA BUSINESS SUBSIDY LAW.

NOTICE IS HEREBY GIVEN, that the WELLS ECONOMIC DEVELOPMENT AUTHORITY (WEDA) WELLS, MINNESOTA ON BEHALF OF THE CITY OF WELLS, MINNESOTA proposes to enter into a Development Agreement and a Business Subsidy Agreement (hereinafter collectively referred to as the "Agreements"), with Wells Co-Pack Foods, Inc. whereby the Wells EDA will support Wells Co-Pack Foods, Inc. application for a $179,000 loan from the Wells HUD Revolving Loan Fund pursuant to Minnesota Statutes 116J.994.

The proposed Agreements, and information about the proposed business subsidy, are on file in the office of the Wells Community Development Office, Wells City Hall, 125 South Broadway, Suite 2B, Wells, MN 56097, and are available for inspection during normal business hours.

ACCORDINGLY, PLEASE BE ADVISED, that the Wells EDA on behalf of the City will conduct a Public Hearing to be held in the Wells City Council Chambers, Wells City Hall, 125 South Broadway, Wells, MN on March 9th, 2007 5:00 pm Central Standard Time. If the resolution is adopted, the Wells EDA may enter into the Agreements with Wells Co-Pack Foods, Inc.

Dated: February 20,2007

Zoa Heckman
Wells Community Development Director