

Request for City Council Committee Action from the Intergovernmental Relations Department

Date: Tuesday, July 8, 2008
To: Council Member Betsy Hodges, Chair
Referral to: Intergovernmental Relations Committee

**Subject: Local Approval Requirements; Tax increment financing
redevelopment district**

Act on local approval clause authorizing the City of Minneapolis to establish a redevelopment tax increment financing district comprised of the properties included in the existing tax increment districts in the city. *Laws of Minnesota* 2008, Chapter 366, Article 5, Section 37.

Recommendation:

- Approve legislation in Chapter 366, Article 5, Section 37. Direct appropriate departments to take necessary actions.

Previous Directives:

Prepared by: Melissa Reed, 612-673-2328

Approved by: Gene Ranieri, Director of Intergovernmental Relations

Steven Bosacker, City Coordinator

Presenters in Committee: Melissa Reed, Government Relations Representative

Reviews

Permanent Review Committee (PRC): Approval ___ Date _____

Policy Review Group (PRG): Approval ___ Date _____

Financial Impact

Supporting Information

This legislation is included in the 2008 Omnibus Tax bill (HF. 3149). It authorizes the City of Minneapolis to establish a new tax increment financing redevelopment district with the same area and original tax capacity as all of its pre-1979 TIF districts. The original tax capacity of the district is \$2,731,854. As a condition for establishing the district, the city must enter into an agreement with Hennepin County providing for annual transfer of the increment equal to the amount that would have been payable to the county on the captured tax capacity of the district had the district not been created. The increments from the district would be used to pay principal or interest on the Target Center bonds and for neighborhood revitalization. The district may be certified after January 1, 2010 terminates no later than December 31, 2020.

Because this is a new district, it would contribute to the fiscal disparities pool, unlike the pre-1979 districts. To prevent the district from affecting local government aid, county

program, or school aid, the captured net tax capacity of the district is included in adjusted net tax capacity for those programs.

**Proposed Resolution
of the
City of Minneapolis
By Hodges**

**Approving Laws of Minnesota 2008 Legislative Session; Chapter 366, Article 5,
Section 37**

Whereas the Minnesota State Legislature has passed a law authorizing the City of Minneapolis to establish a redevelopment tax increment financing district comprised of the properties included in the existing tax increment districts in the city; and

Whereas the increments from the district would be used to pay interest on the Target Center bonds and for neighborhood revitalization; and

Now, therefore, Be It Resolved by the City Council of Minneapolis:

That the said law be now approved and the City Clerk be directed to prepare and file with the Secretary of State the required certification of approval.