



## Request for City Council Committee Action from the Department of Finance

Date: August 18, 2008  
To: Council Member Paul Ostrow, Chair, Ways & Means/Budget Committee

**Subject:** Tentative Timeline for Implementation of Redevelopment Finance District

**Recommendation:** Receive and File

**Previous Directives:** July 7, 2008 direction to staff to conduct review and analysis of the Redevelopment Finance District legislation and report back by August 4, 2008

Prepared by: Mark Winkelhake, Development Finance (673-5105)  
Heather Johnston, Management & Budget (673-2918)

Approved by: Steven Bosacker, City Coordinator \_\_\_\_\_  
Patrick Born, Finance Officer \_\_\_\_\_

Presenter in Committee: Mark Winkelhake, Heather Johnston

### Financial Impact

- No financial impact

### Supporting Information

On August 4, 2008, City staff reported on the financial impacts of MN Laws 2008, Chapter 366, Article 5, Section 27 which authorized the City to establish a non-contiguous redevelopment tax increment financing (TIF) district comprised of the properties within the areas commonly referred to as the pre-1979 TIF districts which are scheduled to decertify (terminate) in 2009.

During that discussion, the Committee informally requested that staff return to the Committee with a tentative timeline for implementing the legislation, including reaching conclusion on the following policy questions:

- 1) How should the opportunities presented by this legislation be applied among the interests of Target Center debt relief; neighborhood revitalization purposes; and property tax relief for City taxpayers?
- 2) For which provisions of the special law should the City seek clarification in the next legislative session?
- 3) How should revenues dedicated to neighborhood revitalization purposes be allocated?
- 4) How should benefits from the elimination of Target Center debt be applied to the ongoing Target Center Finance Plan and to the relief of other City funding pressures?

The following tentative timeline assumes the Council would want to establish the new district as soon as possible, which would be January 1, 2010.

## Tentative Timeline for Establishment of Minneapolis Redevelopment Finance TIF District

August 20, 2008	City Council Committee of the Whole receives public comment on NRP Work Group's Framework for the Future report of July 24, 2008.
August 21, 2008	Committee of the Whole meeting - discuss details of the Framework for the Future report and public comment ( <b>questions 1 &amp; 3</b> )
September 12, 2008	City Council meeting - final action on program structure and objectives for the City's relationship with neighborhoods going forward (recommended components outlined in the NRP Work Group's Framework for the Future report of July 24, 2008) Determination of activities funded through TIF district ( <b>questions 1 &amp; 3</b> )
Fall 2008	Final determination by City Council regarding size of TIF district ( <b>Policy direction needed for questions 1 and 4 in order to proceed</b> )  City Council authorizes staff to proceed with research, analysis and procedures for establishment of TIF district  City staff submits reimbursement agreement proposal to Hennepin County  If needed, City Council authorizes staff to seek legislative clarification of special TIF district legislation ( <b>question 2</b> )
December 2008	City staff finalizes reimbursement agreement terms with Hennepin County and updates Target Center financial plan to reflect decisions  Council adopted budget reflects neighborhood funding.
January 6, 2009	Minnesota Legislature convenes ( <b>question 2</b> )
March 2009	City staff begins TIF district establishment process
May 18, 2009	Minnesota Legislature adjourns  City staff drafts, transmits TIF plan to neighborhood group(s), Hennepin County and School District
July 2009	City Council approves TIF Plan, establishment of TIF district, terms of reimbursement agreement with Hennepin County, and other related items as required ( <b>questions 1, 3 and 4</b> )
January 4, 2010	City staff sends request for TIF district certification to Hennepin County
Mid-January 2010	TIF district certified by Hennepin County
July 2011	First increment collected from TIF district