

## City of Minneapolis Request for Committee Action

**To:** Community Development & Regulatory Services  
**Date:** 11/15/2016  
**Referral:** N/A  
**From:** Community Planning & Economic Development  
**Lead Staff:** Mark Winkelhake, Director Development Finance (x5105)  
**Presented by:** Mark Winkelhake  
**File Type:** Resolution  
**Subcategory:** Development Project

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**Subject:**

Decertification of 11 Tax Increment Financing (TIF) Districts and Two Hazardous Substance Subdistricts

**Description:**

Passage of resolution approving the decertification of 11 tax increment financing (TIF) districts and two hazardous substance subdistricts (HSS) that have either paid off all of their financial obligations or the anticipated development did not occur in the district. Authorizing and directing the City Finance Officer to make any appropriation adjustments necessary to close out the individual funds for these districts, and return any surplus tax increment revenue to Hennepin County for redistribution to the city, county and school district in 2017.

**Previous Actions:**

The City Council approved the following TIF districts and HSS on the dates indicated below:

<u>TIF District or HSS No. (Name)</u>	<u>City Council Approval Date</u>	<u>Years TIF Plan Previously Was Modified</u>
43 (Spring & Central)	1/13/89	---
65 (Housing for Chronic Alcoholics)	11/24/93	---
69 (SEMI Phase 1)	6/30/95	2006, 2016
70 (Camden Medical Facility)	2/9/96	---
72 (SEMI Phase 2)	2/23/96	1996, 2006, 2016
79 (SEMI phase 3)	11/22/96	1999, 2006, 2016
86 (West Side Milling)(HSS)	2/6/98	---
91 (SEMI Phase 5)	6/12/98	2006, 2016
91 (SEMI Phase 5)(HSS)	6/12/98	---
132 (Grain Belt Housing)	9/26/03	---
133 (Village in Phillips, Phase 1)	11/21/03	2006
143 (Park Avenue East)	9/3/04	---
151 (Van Cleve Redevelopment)	5/11/07	---

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**Ward/Address:**

All Wards

**Background/Analysis:**

Pursuant to the "TIF Act" (M.S. Sections 469.174-469.1799) when tax increment financing (TIF) districts or hazardous substance subdistricts (HSS) have paid off all of their financial obligations, the TIF district or HSS must be decertified (terminated) and any surplus tax increment must be returned to the county for redistribution to the city, county and school district. Additionally, if the anticipated development did not occur in the TIF district, some TIF districts are required to be decertified.

There are currently 11 TIF districts and two HSS in the City of Minneapolis that have paid off all of their financial obligations (1-11 listed below) or the anticipated development did not occur in the TIF district (12 & 13 listed below). All of these TIF districts and HSS should be decertified by December 31, 2016.

1. 43 (Spring & Central)
2. 65 (Housing for Chronic Alcoholics)
3. 69 (SEMI Phase 1)
4. 70 (Camden Medical Facility)
5. 72 (SEMI Phase 2)
6. 79 (SEMI phase 3)
7. 86 (West Side Milling)(HSS)
8. 91 (SEMI Phase 5)
9. 91 (SEMI Phase 5)(HSS)
10. 132 (Grain Belt Housing)
11. 133 (Village in Phillips, Phase 1)
12. 143 (Park Avenue East) – anticipated development did not occur
13. 151 (Van Cleve Redevelopment) – anticipated development did not occur

Upon decertification of these 13 districts, over \$75 million in taxable market value will be returned to the City's general tax base. Additionally, approximately \$2.3 million in surplus tax increment must be returned to Hennepin County for redistribution. The City's share of this redistribution will be approximately \$1.1 million (48%), which will be received in mid-2017 and deposited in the City's General Fund.

**Financial Review:**

**No financial impact.**

**Attachments:**

1. Resolution approving the decertification of 11 TIF districts and two HSS