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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **4408**

04/16/2018 Authored by Anselmo and Rosenthal
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to the city of Edina; providing special law tax increment financing authority.

1.3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.4 Section 1. CITY OF EDINA; TAX INCREMENT FINANCING AUTHORITY.

1.5 Subdivision 1. Definitions. (a) For purposes of this section, the definitions under
1.6 Minnesota Statutes, section 469.174, apply and the following terms have the meanings given
1.7 them, unless the context clearly indicates otherwise.

1.8 (b) "City" means the city of Edina.

1.9 (c) "District" means a tax increment financing district established under this section.

1.10 (d) "Lid development" means any of the following activities undertaken to serve a
1.11 qualified development and financed, in whole or in part, with public money to:

1.12 (1) acquire real property and other assets associated with the real property including
1.13 leases;

1.14 (2) demolish, repair, or rehabilitate buildings;

1.15 (3) remediate land and buildings to prepare property for acquisition or development;

1.16 (4) install, construct, or reconstruct elements of public infrastructure required to support
1.17 development of the project area, including but not limited to:

1.18 (i) streets, roadways, highways, utilities systems and related facilities, including
1.19 relocations and realignments;

1.20 (ii) structural caps, lids, bridges, or other buildable pads or streetscape improvements;

- 2.1 (iii) network and communication systems;
- 2.2 (iv) drainage and sewer and water systems;
- 2.3 (v) subgrade structures and associated improvements;
- 2.4 (vi) landscaping;
- 2.5 (vii) facade construction and restoration;
- 2.6 (viii) wayfinding and signage, and other components of community infrastructure;
- 2.7 (ix) lighting; and
- 2.8 (x) life safety including mechanical, ventilation systems, and fire suppression;
- 2.9 (5) acquire, construct or reconstruct, and equip parking facilities, transit stations, and
- 2.10 other facilities to encourage intermodal transportation and transit;
- 2.11 (6) install, construct or reconstruct, furnish, and equip parks and trails and cultural,
- 2.12 community, educational, and recreational facilities;
- 2.13 (7) make related site improvements, including, without limitation, excavation, earth
- 2.14 retention, soil stabilization and correction, foundation and substructure, vertical circulation
- 2.15 systems, and other site improvements;
- 2.16 (8) prepare land for private development and to sell or lease land;
- 2.17 (9) pay the costs of providing relocation benefits to occupants of acquired properties;
- 2.18 and
- 2.19 (10) construct and equip all or a portion of one or more suitable structures on land owned
- 2.20 by the city or the state for sale or lease to private development.
- 2.21 (e) "Project area" means area of the city commencing at the intersection of West 50th
- 2.22 Street and Eden Avenue, southwesterly along Eden Avenue to Wilson Road, southerly on
- 2.23 Wilson Road continuing as Normandale Road to its intersection with Benton Avenue on
- 2.24 the eastside of State Highway 100; thence westerly along Benton Avenue across State
- 2.25 Highway 100 to its intersection of Normandale Road; northerly on Normandale Road to
- 2.26 Eden Avenue, westerly on Eden Avenue to its intersection with Vernon Avenue, and
- 2.27 northeasterly along Vernon Avenue transitioning to West 50th Street back to its intersection
- 2.28 with Eden Avenue, and including all adjacent rights-of-way.
- 2.29 (f) "Qualified development" means a development that primarily serves the development
- 2.30 under subdivision 2, paragraph (b).

3.1 Subd. 2. **Authority to create districts.** (a) The city may establish one or more tax
3.2 increment financing redevelopment districts in the project area to finance lid development
3.3 in the project area. Districts established under this authority are deemed to meet the definition
3.4 of a redevelopment district as provided in Minnesota Statutes, section 469.174, subdivision
3.5 10.

3.6 (b) Before exercising the powers under paragraph (a), the city must adopt an overall
3.7 plan for development of the project area that includes construction of a structural cap, bridge,
3.8 or other buildable pad over State Highway 100 that will facilitate development or
3.9 redevelopment of land adjacent or in close proximity to the improvements to be constructed
3.10 over the highway. The city may modify or amend this plan at any time in a manner that is
3.11 consistent with the requirements of this paragraph.

3.12 (c) Except as otherwise provided in this section, the provisions of Minnesota Statutes,
3.13 sections 469.174 to 469.1794, apply to districts created under this section.

3.14 (d) The authority to establish districts under this section expires on June 30, 2023.

3.15 Subd. 3. **Special rules.** (a) Notwithstanding Minnesota Statutes, sections 469.174 to
3.16 469.1794, or any other law to the contrary, the special law rules under this subdivision apply
3.17 to districts.

3.18 (b) Minnesota Statutes, section 469.176, subdivisions 4j and 4l, do not apply.

3.19 (c) The five-year period under Minnesota Statutes, section 469.1763, subdivision 3, is
3.20 extended to eight years and the limit under subdivision 4 of that section applies beginning
3.21 with the first year after the end of that period.

3.22 (d) The provisions of Minnesota Statutes, section 469.1763, subdivision 2, do not apply,
3.23 but increments derived from districts created under this section must be expended only for
3.24 lid development located within the project area and permitted administrative expenses.

3.25 (e) Expenditures on lid development costs for improvements and other activities in the
3.26 project area are permitted uses of the district's increments.

3.27 Subd. 4. **Grandview 2 TIF Redevelopment District.** For its Grandview 2 Tax Increment
3.28 Financing District, the city may elect, by resolution, to increase the permitted percentage
3.29 of expenditures for activities located outside the geographic area of the district under
3.30 Minnesota Statutes, section 469.1763, subdivision 2, paragraph (a), by up to 25 percentage
3.31 points for amounts spent for lid development within the project area. Amounts expended
3.32 under this authority qualify under provisions of subdivision 3, paragraph (e).

4.1 **EFFECTIVE DATE.** This section is effective upon local approval by the governing
4.2 body of the city of Edina and compliance with the requirements of Minnesota Statutes,
4.3 section 645.021.