

SENATE
STATE OF MINNESOTA
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 207

(SENATE AUTHORS: WIKLUND, Franzen, Bakk, Skoe and Rest)

DATE	D-PG	OFFICIAL STATUS
01/31/2013	131	Introduction and first reading Referred to Taxes
02/04/2013	146	Author added Rest

A bill for an act

1.1 relating to the city of Bloomington; providing expanded tax increment financing
 1.2 powers relating to certain existing districts; modifying the imposition and use of
 1.3 proceeds of special sales taxes in the city; appropriating money to renovate and
 1.4 restore or replace the Old Cedar Avenue Bridge in Bloomington; authorizing the
 1.5 sale and issuance of state bonds; amending Minnesota Statutes 2012, sections
 1.6 469.071, subdivision 5; 473F.08, by adding a subdivision; Laws 2006, chapter
 1.7 258, section 17, subdivision 8, as amended; Laws 2008, chapter 365, section 4,
 1.8 subdivision 3, as amended; Laws 2008, chapter 366, article 5, section 26; Laws
 1.9 2010, chapter 189, section 16, subdivision 4, as amended.
 1.10

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

1.12 Section 1. Minnesota Statutes 2012, section 469.071, subdivision 5, is amended to read:

1.13 Subd. 5. **Exception; parking facilities.** Notwithstanding section 469.068, the
 1.14 Bloomington port authority need not require competitive bidding with respect to a
 1.15 structured parking facility or other public improvements constructed in conjunction with,
 1.16 and directly above or below, or adjacent and integrally related to, a development and
 1.17 financed with the proceeds of tax increment or, revenue bonds, or other funds of the
 1.18 port authority and the city of Bloomington.

1.19 **EFFECTIVE DATE.** This section is effective upon compliance of the governing
 1.20 body of the city of Bloomington with the requirements of Minnesota Statutes, section
 1.21 645.021, subdivision 3.

1.22 Sec. 2. Minnesota Statutes 2012, section 473F.08, is amended by adding a subdivision
 1.23 to read:

2.1 Subd. 3c. **Mall of America.** (a) When computing the net tax capacity under section
 2.2 473F.05, the Hennepin County auditor shall exclude the captured tax capacity of Tax
 2.3 Increment Financing Districts No. 1-C and No. 1-G in the city of Bloomington.

2.4 (b) Notwithstanding the provisions of subdivision 2, paragraph (a), the
 2.5 commercial-industrial contribution percentage for the city of Bloomington is the
 2.6 contribution net tax capacity divided by the total net tax capacity of commercial-industrial
 2.7 property in the city, excluding any commercial-industrial property that is captured tax
 2.8 capacity of Tax Increment Financing Districts No. 1-C and No. 1-G.

2.9 (c) The property taxes to be paid on commercial-industrial tax capacity that is
 2.10 included in the captured tax capacity of Tax Increment Financing Districts No. 1-C and
 2.11 No. 1-G in the city of Bloomington must be determined as described in subdivision 6,
 2.12 except that the portion of the tax that is based on the areawide tax rate is to be treated
 2.13 as tax increment under section 469.176.

2.14 (d) The provisions of this subdivision expire when the tax increment financing
 2.15 districts have been decertified in 2024 or 2034, as provided by section 9, subdivision 2 or 4.

2.16 **EFFECTIVE DATE.** This section is effective beginning for property taxes payable
 2.17 in 2014.

2.18 Sec. 3. Laws 2006, chapter 258, section 17, subdivision 8, as amended by Laws
 2.19 2008, chapter 179, section 64, and Laws 2011, First Special Session chapter 12, section
 2.20 30, is amended to read:

2.21 **Subd. 8. Metropolitan Regional Parks Capital**
 2.22 **Improvements** 35,362,000

2.23 For the cost of improvements and betterments
 2.24 of a capital nature and acquisition by the
 2.25 council and local government units of
 2.26 regional recreational open-space lands in
 2.27 accordance with the council's policy plan
 2.28 as provided in Minnesota Statutes, section
 2.29 473.147. Priority must be given to park
 2.30 rehabilitation and land acquisition projects.

2.31 \$300,000 is for a grant to the city of
 2.32 Bloomington for environmental analysis and
 2.33 review, and to design, and construction of a
 2.34 multimodal trail connection across or through

3.1 ~~Long Meadow Lake in the vicinity of the old~~
3.2 ~~Cedar Avenue bridge and for development~~
3.3 ~~of a segment of the Minnesota Valley State~~
3.4 ~~Trail from Fort Snelling State Park to the~~
3.5 ~~Long Meadow Lake crossing to serve as~~
3.6 ~~a hiking and bicycling trail connection~~
3.7 renovate, and restore, or to replace, the Old
3.8 Cedar Avenue Bridge for bicycle commuters
3.9 and recreational users. Notwithstanding
3.10 Minnesota Statutes, section 16A.642, the
3.11 bond sale authorization and appropriation of
3.12 bond proceeds for this project are available
3.13 until December 31, 2017.

3.14 \$6,000,000 is for a grant to the county of
3.15 Dakota to acquire land for a regional park
3.16 and wildlife area adjacent to the Vermillion
3.17 Highlands Research, Recreation, and Wildlife
3.18 Management Area in Dakota County.

3.19 \$1,800,000 is for a grant to the city of
3.20 Minneapolis to complete land acquisition for
3.21 and construction of the Cedar Lake Trail.

3.22 \$3,500,000 is for a grant to the Minneapolis
3.23 Park and Recreation Board to design,
3.24 construct, furnish, and equip a new cultural
3.25 and community center in the East Phillips
3.26 neighborhood in Minneapolis.

3.27 \$250,000 is for a grant to the Minneapolis
3.28 Park and Recreation Board to predesign
3.29 completion of the Grand Rounds National
3.30 Scenic Byway by providing a link between
3.31 northeast Minneapolis on Stinson Avenue and
3.32 Southeast Minneapolis at East River Road.

3.33 \$2,500,000 is for a grant to the Minneapolis
3.34 Park and Recreation Board to mitigate
3.35 flooding at Lake of the Isles in the city

4.1 of Minneapolis. The grant must be used
4.2 for shoreline stabilization and restoration,
4.3 dredging, wetland replacement, and other
4.4 infrastructure improvements necessary to
4.5 deal with the 1997 flood damage and to
4.6 prevent future flooding.

4.7 \$321,000 is for a grant to Ramsey County
4.8 to construct a bicycle and pedestrian trail on
4.9 the north side of Lower Afton Road between
4.10 Century Avenue and McKnight Road in the
4.11 city of Maplewood. This appropriation is
4.12 not available until the commissioner has
4.13 determined that at least an equal amount has
4.14 been committed from nonstate sources.

4.15 \$9,000,000 is for a grant to the city of St.
4.16 Paul to predesign, design, construct, furnish,
4.17 equip, and redevelop infrastructure at the
4.18 Como Zoo.

4.19 \$2,500,000 is for a grant to the city of St.
4.20 Paul to acquire land for and to predesign,
4.21 design, construct, furnish, and equip river
4.22 park development and redevelopment
4.23 infrastructure in National Great River Park
4.24 along the Mississippi River in St. Paul.

4.25 \$2,000,000 is for a grant to the city of
4.26 South St. Paul for the closure, capping, and
4.27 remediation of approximately 80 acres of
4.28 the Port Crosby construction and demolition
4.29 debris landfill in South St. Paul, as the fifth
4.30 phase of converting the land into parkland,
4.31 and to restore approximately 80 acres of
4.32 riverfront land along the Mississippi River.

4.33 \$191,000 is for a grant to the city of White
4.34 Bear Lake to construct the Lake Avenue

5.1 Regional Trail connecting Highway 96
5.2 Regional Trail with Ramsey Beach.

5.3 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.4 Sec. 4. Laws 2008, chapter 365, section 4, subdivision 3, as amended by Laws 2010,
5.5 chapter 189, section 58, and Laws 2011, First Special Session chapter 12, section 36,
5.6 is amended to read:

5.7 Subd. 3. **Old Cedar Avenue Bridge** 2,000,000

5.8 For a grant to the city of Bloomington for
5.9 environmental analysis and review, and to
5.10 ~~design, and construction of a multimodal trail~~
5.11 ~~connection across or through Long Meadow~~
5.12 ~~Lake in the vicinity of the old Cedar Avenue~~
5.13 ~~Bridge and for development of a segment of~~
5.14 ~~the Minnesota Valley State Trail from Fort~~
5.15 ~~Snelling State Park to the Long Meadow Lake~~
5.16 ~~crossing~~ renovate, and restore, or to replace,
5.17 the old Cedar Avenue Bridge for bicycle
5.18 commuters and recreational users. This
5.19 appropriation is added to the appropriation
5.20 in Laws 2006, chapter 258, section 17,
5.21 subdivision 8, as amended. Notwithstanding
5.22 Minnesota Statutes, section 16A.642, the
5.23 bond sale authorization and appropriation of
5.24 bond proceeds for this project are available
5.25 until December 31, 2017.

5.26 **EFFECTIVE DATE.** This section is effective the day following final enactment.

5.27 Sec. 5. Laws 2008, chapter 366, article 5, section 26, is amended to read:

5.28 Sec. 26. **BLOOMINGTON TAX INCREMENT FINANCING; FIVE-YEAR**
5.29 **RULE.**

5.30 The requirements of Minnesota Statutes, section 469.1763, subdivision 3, that
5.31 activities must be undertaken within a five-year period from the date of certification of
5.32 a tax increment financing district, are increased to a ~~ten-year~~ 15-year period for the

6.1 Port Authority of the City of Bloomington's Tax Increment Financing District No. 1-I,
6.2 Bloomington Central Station.

6.3 **EFFECTIVE DATE.** This section is effective upon compliance by the governing
6.4 body of the Port Authority of the city of Bloomington with the requirements of Minnesota
6.5 Statutes, section 645.021.

6.6 Sec. 6. Laws 2010, chapter 189, section 16, subdivision 4, as amended by Laws 2011,
6.7 First Special Session chapter 12, section 45, is amended to read:

6.8 **Subd. 4. Metropolitan Regional Parks and**
6.9 **Trails Capital Improvements**

6.10 **(a) Metropolitan Council Priorities** 10,500,000

6.11 For the cost of improvements and betterments
6.12 of a capital nature and acquisition by the
6.13 council and local government units of
6.14 regional recreational open-space lands in
6.15 accordance with the council's policy plan
6.16 as provided in Minnesota Statutes, section
6.17 473.147. Priority must be given to park
6.18 rehabilitation and land acquisition projects.

6.19 This appropriation must not be used to
6.20 purchase easements.

6.21 **(b) Como Zoo** 11,000,000

6.22 For a grant to the city of St. Paul to predesign,
6.23 design, construct, furnish, and equip phase 2
6.24 renovation of exhibits at the Como Zoo.

6.25 **(d) Old Cedar Avenue Bridge** 1,000,000

6.26 For a grant to the city of Bloomington for
6.27 environmental analysis and review, and to
6.28 ~~design, and construction of a multimodal trail~~
6.29 ~~connection across or through Long Meadow~~
6.30 ~~Lake in the vicinity of the Old Cedar Avenue~~
6.31 ~~Bridge and for development of a segment of~~
6.32 ~~the Minnesota Valley State Trail from Fort~~
6.33 ~~Snelling State Park to the Long Meadow~~

7.1 ~~Lake crossing~~ renovate, and restore, or to
 7.2 replace, the old Cedar Avenue Bridge for
 7.3 bicycle commuters and recreational users.
 7.4 The city of Bloomington must consult with
 7.5 the city of Eagan and Dakota County on
 7.6 the renovation project. Notwithstanding
 7.7 Minnesota Statutes, section 16A.642, the
 7.8 bond sale authorization and appropriation of
 7.9 bond proceeds for this project are available
 7.10 until December 31, 2017.

7.11 This appropriation is added to the
 7.12 appropriation in Laws 2008, chapter 365,
 7.13 section 4, subdivision 3, as amended by this
 7.14 act.

7.15 **(f) Rock Island Bridge Park and Trail**
 7.16 **Development**

1,000,000

7.17 For a grant to the city of Inver Grove Heights
 7.18 for park and trail development on the west
 7.19 bank of the Mississippi River in Dakota
 7.20 County at the site of Mississippi River Bridge
 7.21 JAR 5600, commonly known as the Rock
 7.22 Island Bridge. Any park or trails developed
 7.23 with this appropriation must connect with
 7.24 any local, regional, or state trails in the
 7.25 vicinity, and the historic Rock Island Bridge.

7.26 **(i) Veterans Memorial Parks**

2,000,000

7.27 For a grant to the Minneapolis Park and
 7.28 Recreation Board to: (1) design and construct
 7.29 an appropriate monument in Sheridan
 7.30 Veterans Memorial Park on the Mississippi
 7.31 River in Minneapolis to memorialize the war
 7.32 service of Minnesota veterans of all wars;
 7.33 and (2) match money provided by Hennepin
 7.34 County to restore the flagpole monument
 7.35 and plaza, and make other infrastructure

8.1 improvements of a capital nature for the
8.2 Veterans of World War I Victory Memorial
8.3 Parkway, consistent with Hennepin County's
8.4 planned infrastructure improvements.

8.5 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.6 **Sec. 7. CITY OF BLOOMINGTON; LODGING TAX BASE.**

8.7 The governing body of the city of Bloomington may elect, by ordinance, to impose
8.8 any special sales tax that it imposes on lodging under general or special law on taxable sales
8.9 as defined in Minnesota Statutes, section 297A.61, subdivision 3, paragraph (g), clause (2).

8.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

8.11 **Sec. 8. CITY OF BLOOMINGTON; TAX INCREMENT FINANCING**
8.12 **EXTENSION.**

8.13 (a) Notwithstanding the provisions of Minnesota Statutes, section 469.176, or any
8.14 other law to the contrary, the city of Bloomington and its port authority may extend the
8.15 duration limits of Tax Increment Financing District No. 1-I, containing the Bloomington
8.16 Central Station property, for a period through December 31, 2039.

8.17 (b) Effective for taxes payable in 2014, tax increment for the district must be
8.18 computed using the current local tax rate, notwithstanding the provisions of Minnesota
8.19 Statutes, section 469.177, subdivision 1a.

8.20 **EFFECTIVE DATE.** This section is effective upon compliance of the governing
8.21 body of the city of Bloomington with the requirements of Minnesota Statutes, sections
8.22 469.1782, subdivision 2, and 645.021, subdivision 3.

8.23 **Sec. 9. CITY OF BLOOMINGTON; TAX INCREMENT FINANCING.**

8.24 **Subdivision 1. Addition of property to Tax Increment Financing District**
8.25 **No. 1-G.** (a) Notwithstanding the provisions of Minnesota Statutes, section 469.175,
8.26 subdivision 4, or any other law to the contrary, the governing bodies of the Port Authority
8.27 of the city of Bloomington and the city of Bloomington may elect to eliminate the real
8.28 property north of the existing building line on Lot 1, Block 1, Mall of America 7th
8.29 Addition, exclusive of Lots 2 and 3 from Tax Increment Financing District No. 1-C
8.30 within Industrial Development District No. 1 Airport South in the city of Bloomington,
8.31 Minnesota, and expand the boundaries of Tax Increment Financing District No. 1-G
8.32 to include that property.

9.1 (b) If the city elects to transfer from parcels under this authority, the county auditor
 9.2 shall transfer the original tax capacity of the affected parcels from Tax Increment
 9.3 Financing District No. 1-C to Tax Increment Financing District No. 1-G.

9.4 Subd. 2. **Authority to extend duration limit; computation of increment.** (a)
 9.5 Notwithstanding Minnesota Statutes, section 469.176, or Laws 1996, chapter 464, article
 9.6 1, section 8, or any other law to the contrary, the city of Bloomington and its port authority
 9.7 may extend the duration limits of Tax Increment Financing Districts No. 1-C and No.
 9.8 1-G through December 31, 2033.

9.9 (b) Effective for property taxes payable in 2017 through 2033, the captured tax
 9.10 capacity of Tax Increment Financing District No. 1-C must be included in computing the
 9.11 tax rates of each local taxing district and tax increment equals only the amount of tax
 9.12 computed under Minnesota Statutes, section 473F.08, subdivision 3c, paragraph (b).

9.13 (c) Effective for property taxes payable in 2019 through 2033, the captured tax
 9.14 capacity of Tax Increment Financing District No. 1-G must be included in computing
 9.15 the tax rates of each local taxing district and tax increment for the district equals only
 9.16 the amount of tax computed under Minnesota Statutes, section 473F.08, subdivision
 9.17 3c, paragraph (b).

9.18 Subd. 3. **Treatment of increment.** Increments received under the provisions of
 9.19 subdivision 2, paragraph (b) or (c), and Minnesota Statutes, section 473F.08, subdivision
 9.20 3c, are deemed to be tax increments of Tax Increment Financing District No. 1-G,
 9.21 notwithstanding any law to the contrary and without regard to whether they are attributable
 9.22 to captured tax capacity of Tax Increment Financing District No. 1-C.

9.23 Subd. 4. **Condition.** The authority under this section expires and the Tax Increment
 9.24 Financing Districts No. 1-C and No. 1-G must be decertified for taxes payable in 2024
 9.25 and thereafter, if the total estimated market value of improvements for parcels located in
 9.26 Tax Increment Financing District No. 1-G, as modified, do not exceed \$100,000,000
 9.27 by taxes payable in 2023.

9.28 **EFFECTIVE DATE.** This section is effective upon compliance of the governing
 9.29 body of the city of Bloomington with the requirements of Minnesota Statutes, section
 9.30 645.021, subdivision 3. This section is effective without approval of the county and
 9.31 school district under Minnesota Statutes, section 469.1782, subdivision 2. The legislature
 9.32 finds that the county and school district are not "affected local government units" within
 9.33 the meaning of Minnesota Statutes, section 469.1782, because the provision allowing
 9.34 extended collection of increment by the tax increment financing districts does not affect
 9.35 their tax bases and tax rates dissimilarly to other counties and school districts in the
 9.36 metropolitan area.

10.1 Sec. 10. **OLD CEDAR AVENUE BRIDGE.**

10.2 Subdivision 1. **Appropriation.** \$7,000,000 is appropriated from the bond proceeds
10.3 fund to the Metropolitan Council for a grant to the city of Bloomington for environmental
10.4 analysis and review, and to design, renovate, and restore, or to replace, the Old Cedar
10.5 Avenue Bridge for bicycle commuters and recreational users. This appropriation is added
10.6 to the appropriation for the same project made in Laws 2006, chapter 258, section 17,
10.7 subdivision 8, as amended by Laws 2008, chapter 179, section 64, Laws 2011, First Special
10.8 Session chapter 12, section 30, and this act; Laws 2008, chapter 365, section 4, subdivision
10.9 3, as amended by Laws 2010, chapter 189, section 58, Laws 2011, First Special Session
10.10 chapter 12, section 36, and this act; and Laws 2010, chapter 189, section 16, subdivision
10.11 4, as amended by Laws 2011, First Special Session chapter 12, section 45, and this act.

10.12 Subd. 2. **Bond sale.** To provide the money appropriated in this section from the
10.13 bond proceeds fund, the commissioner of management and budget shall sell and issue
10.14 bonds of the state in an amount up to \$7,000,000 in the manner, upon the terms, and with
10.15 the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the
10.16 Minnesota Constitution, article XI, sections 4 to 7.

10.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.

10.18 Sec. 11. **EFFECTIVE DATE.**

10.19 The provisions of this act take effect as provided in each section, but only if the city
10.20 of Bloomington enters into a written agreement with the Metropolitan Council to repair
10.21 and restore, or to replace, the old Cedar Avenue bridge for use by bicycle commuters and
10.22 recreational users.