



March 19, 1991

The Honorable Jerome M. Hughes  
President of the Senate  
State of Minnesota  
328 State Capitol  
St. Paul, MN 55155

The Honorable Robert Vanasek  
Speaker of the House of Representatives  
State of Minnesota  
463 State Office Building  
St. Paul, MN 55155

Dear Sirs:

Pursuant to Minnesota Laws 1990, Chapter 604, a Neighborhood Revitalization Program has been established for the City of Minneapolis. The following is the report from the City of Minneapolis to the Legislature as required by Section 29, Subdivision 2, of Chapter 604.

1. The Policy Board was formed and has been meeting regularly since March 7, 1990. The core membership of that Board includes:
  - (a) The leadership of the City and the boards of Hennepin County, Minneapolis Public Schools, Minneapolis Parks and Recreation and Minneapolis Library; and
  - (b) A member from each of the Minneapolis Senate and House delegations.

These core members have appointed nine additional members:

- (c) Four (4) neighborhood representatives; and
- (d) The chief executives of the Minneapolis Chamber of Commerce, the Minneapolis Central Labor Union, the Urban Coalition of Minneapolis, the Greater Minneapolis United Way and the Minneapolis Foundation;

[A current roster of Policy Board members is attached.]

2. The City of Minneapolis, on June 21, 1990, established a Neighborhood Revitalization Program and committed \$10 million in 1990 and \$20 million per year for the period 1991-2009 for this Program's activities. [A copy of Title 16, Chapter 419 and Chapter 421 are in Appendix A.]
3. As further support for the newly-developing Neighborhood Revitalization Program, the City dedicated \$400,000 of 1990 "Year of the City" monies to fund the Program's administrative budget for 1990 and 1991.

- Pursuant to 1990 LAws, Chap 604, Act. 7,  
Section 29, Subd 2



4. The Policy Board hired a Director, Earl D. Craig, Jr. He began work on October 1, 1990. In addition, a staff of two assistant directors to work directly with the neighborhood organizations, one administrative assistant, and a secretary began in early January, 1991.
5. A festive "kickoff event," held at the Minneapolis Convention Center on December 15, 1990, officially inaugurated the Program and demonstrated the City's commitment to building the future of Minneapolis on the strengths of its neighborhoods.
6. The focus of this program is the eighty-one (81) neighborhoods in the city. Six neighborhoods at any one time, at a hoped-for average rate of 12-13 neighborhoods per year, will prepare for and conduct a workshop process to formulate strategies for their own physical, economic and human development.

A neighborhood may submit an application to participate in the process whenever it is ready. The application is a non-competitive essay asserting readiness. The standards of readiness are essentially:

- (a) To have identified the major demographic and economic groups and groupings and distinguishable communities of interest within the neighborhood;
- (b) To have demonstrated an intent to effectively include the full range of identified groups and perspectives in the workshop process; and
- (c) To have demonstrated the organizational ability to develop and implement a 6-9 month workshop process, with appropriate support from the Program staff and other available assistance resources.

In the first selection, in February, over half (42) of the neighborhoods submitted applications.

The neighborhoods are selected, from among those who applied, in a public lottery. The first six neighborhoods selected are Bryant, East Harriet, Jordan, Phillips, Whittier, and Windom.

As possible within our resources, the Program will assist neighborhoods which are not yet selected to achieve and expand readiness for a workshop.

7. The collaborative nature of this Neighborhood Revitalization Program is demonstrated by the membership (of the elected leadership of the five public jurisdictions) on the Policy Board and (of the heads the major departments of the city and county and of the other three public jurisdictions) on the Technical Advisory Committee. Similarly, a recently convened Information Committee for the Program brings together key staff of the participating jurisdictions, the University of Minnesota and the neighborhoods to identify, generate, and supply useful data for neighborhood workshops.

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8. The Program mission is being refined and articulated in meetings and gatherings of neighborhood organizations, business groups, non-profit human service agencies and public departments, with two major goals:
  - (a) To build the capacity of neighborhoods (the infrastructure of residents who have volunteered where they live) to assess and address their own problems and opportunities; and
  - (b) To redirect the application of existing public resources and the delivery of services according to priorities set, within their neighborhoods, by the consumers of that public spending and those services.

This mission is premised upon the observation that, in the foreseeable future, our only expandable resource may be the energy of citizens organized to solve their own problems. From this premise flows our intent to use the Program's \$20 million per year as a catalyst--as "glue money" to fill gaps in existing or anticipated budgets and/or as leverage for other public and private funds--to permit implementation of each neighborhood's Action Plan.

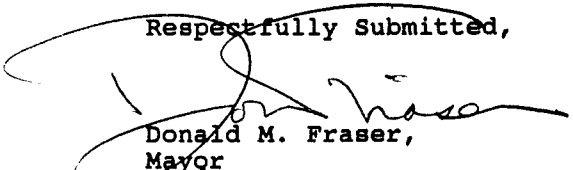
9. As directed by Chapter 604 (Section 29, Subd. 1), none of the Program Money (\$10,000,000) for 1990 reserved by the City of Minneapolis for neighborhood revitalization was spent in 1990. Those funds are presently available to the Policy Board and the program for use in 1991 and subsequent years.

In conclusion, the significance and importance of the Neighborhood Revitalization Program to us and our colleagues on the City Council, and its centrality to all of our present and future efforts, are evidenced by the statement below from the 1992-1996 Directions Framework, which is the City's fundamental budget document:


"The Neighborhood Revitalization Program (NRP) is the City's highest priority for the allocation of its operating, community development and capital improvement funds. The Directions Framework recognizes this by placing as the first "filter" the need to reallocate these funds to respond to high priority neighborhoods needs identified by neighborhood workshops."

Thank you for this opportunity to report to you as to our progress. If you need further information, we will of course be pleased to provide it.

Respectfully Submitted,



Donald M. Fraser,  
Mayor



Sharon Sayles Belton  
President  
City Council

**Neighborhood Revitalization Program  
Policy Board  
Membership Roster**

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
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| <p>1. <b>Sharon Sayles Belton</b><br/>President<br/>Minneapolis City Council<br/>307 City Hall<br/>Minneapolis, MN 55415<br/><br/>673-2208</p> <p>2. <b>Representative Karen Clark</b><br/>Minneapolis House Delegation<br/>503 State Capitol Building<br/>St. Paul, MN 55155<br/><br/>296-0294</p> <p>3. <b>James Colville</b><br/>Director<br/>Minneapolis United Way<br/>404 South Eighth Street<br/>Minneapolis, MN 55404<br/><br/>340-7586</p> <p>4. <b>George Dahl</b><br/>Chair, Board of Education<br/>Special School District #1<br/>807 N.E. Broadway<br/>Minneapolis, MN 55413<br/><br/>627-2010(w) 922-4833(h)</p> <p>5. <b>John Derus</b><br/>Chairman<br/>Hennepin County Board<br/>A-2400 Government Center<br/>Minneapolis, MN 55487<br/><br/>348-3086</p> | <p>6. _____<br/>Commissioner<br/>Hennepin County Board<br/>A-2400 Government Center<br/>Minneapolis, MN 55487</p> <p>7. _____<br/>Commissioner<br/>Hennepin County Board<br/>A-2400 Government Center<br/>Minneapolis, MN 55487</p> <p>8. <b>Don Early</b><br/>President<br/>Central Labor Union<br/>312 Central Avenue<br/>Minneapolis, MN 55414<br/><br/>379-4234</p> <p>9. <b>Marion G. Etzwiler</b><br/>President<br/>Minneapolis Foundation<br/>500 Foshay Tower<br/>821 Marquette Avenue<br/>Minneapolis, MN 55402<br/><br/>339-7343</p> <p>10. <b>The Honorable Donald M. Fraser</b><br/>Mayor, City of Minneapolis<br/>127 City Hall<br/>Minneapolis, MN 55415<br/><br/>673-2100</p> <p>11. <b>Beverly Larkin</b><br/>Redirection Neighborhood Rep.<br/>3439 Oakland Avenue South<br/>Minneapolis, MN 55408<br/><br/>825-5921</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

12. **Sheila Lefavor**  
Revitalization Neighborhood Rep.  
4116 Aldrich Avenue North  
Minneapolis, MN 55412  
  
529-1443
13. **Connie Levi**  
President  
Greater Minneapolis Area  
Chamber of Commerce  
81 South Ninth Street, #200  
Minneapolis, MN 55402  
  
370-9150
14. **Yusef Mgeni**  
President  
Urban Coalition  
708 Third Street South, #300  
Minneapolis, MN 55415  
  
348-8550
15. **Scott Neiman**  
President, Minneapolis Park  
and Recreation Board  
5705 Wentworth Avenue South  
Minneapolis, MN 55419  
  
934-4000(w) 866-7024(h)
16. **Brad Nyberg**  
Neighborhood Representative  
2200 Dupont Avenue North  
Minneapolis, MN 55411  
  
521-3580
17. **Senator Larry Pogemiller**  
Minneapolis Senate Delegation  
306 State Capitol Building  
St. Paul, MN 55155  
  
296-7809
18. **Nic Puzak**  
Neighborhood Representative  
59 Barton Avenue S.E.  
Minneapolis, MN 55414  
  
331-6564
19. **Gary Sudduth**  
President  
Minneapolis Library Board  
411 East 38th Street  
Minneapolis, MN 55409  
  
827-5673

1ST READING: 6-15-90
REFERRED TO (NAME OF) COMMITTEE:
PUBLIC HEARING: 6-11-90
2ND READING AND FINAL PASSAGE: 6-15-90

# AN ORDINANCE of the CITY OF MINNEAPOLIS

Hilary and Cramer

presents the following ordinance:

**Amending Title 16 of the Minneapolis Code of Ordinances by adding a new Chapter 419 relating to Planning and Development: Neighborhood Revitalization Program.**

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That the Minneapolis Code of Ordinances be amended by adding thereto a new Chapter 419 to read as follows:

**Chapter 419. Neighborhood Revitalization Program.**

**419.10. Purpose.** The Purpose of this chapter is to establish a Neighborhood Revitalization Program pursuant to Chapter 604, Minnesota Laws, 1990.

**419.20 General Guidelines.** The Neighborhood Revitalization Program shall be administered pursuant to Chapter 604, Minnesota Laws, 1990.

**419.30. Neighborhood Revitalization Program.** In furtherance of the goals stated herein and pursuant to Chapter 604, Minnesota Laws 1990, a Neighborhood Revitalization Program is hereby created to preserve and enhance the private and public infrastructure, public health and safety, economic vitality, the sense of community, and social benefits within Minneapolis neighborhoods.

The goals and objectives of the Neighborhood Revitalization Program are:

- (1) to establish a cooperative and coordinated service planning, funding and delivery process involving neighborhood residents, public agencies and private interests.
- (2) to develop a joint planning effort which results in a multi-year plan complementing the programming of all parties;
- (3) to provide a framework which encourages and enables the reallocation of existing resources to fund specific program priorities.
- (4) to reserve and dedicate resources from the specified tax increment districts, from program funds, and from the Neighborhood Bank to fund the multi-year plan.
- (5) to preserve and dedicate a source of funding for multi-jurisdictional youth projects of high City priority.

(D) The workshop process will ensure that all neighborhood interests are adequately represented in the identification of needs and preparation of neighborhood action plans. Neighborhood workshop organizers shall take affirmative steps to assure that participation in the workshops is inclusive of all population and interests in the neighborhood, including renters, homeowners, people of color, businesses, institutions, socioeconomic groups, youth, elderly and handicapped.

(E) The Neighborhood Revitalization Program decision-making process will include rigorous cost-benefit analyses in which the overall economic impact of public investment alternatives will be evaluated as well as other significant benefits. The Neighborhood Revitalization Program process will provide the framework for decisions regarding use of tax increment and non-tax increment neighborhood revitalization funds and, where applicable, redevelopment activities consistent with neighborhood priorities and will encourage the reallocation of existing resources to fund the specific program priorities determined by Minneapolis neighborhoods within and outside the project areas. A significant portion of non-tax increment funds will be used outside the project areas.

(F) All neighborhood revitalization activities which are funded with Program funds as defined in 419.40, require approval by the City Council and Mayor after receipt of recommendations from the Policy Board, as outlined in 419.70, except for such amounts required to be available to the school district and Hennepin County as described in Section 419.70 (D) and (E). The Policy Board shall also make recommendations to the participating organizations regarding expenditures of funds other than Program funds to the extent such expenditures will further the goals of the Neighborhood Revitalization Program.

(G) The Neighborhood Revitalization Program will be implemented over a period of years requiring dedicated funding on a graduated basis. During the transition period, the MCDA's one and five year plans and priorities submitted by neighborhood groups not yet involved in the Neighborhood Revitalization Program will be used to develop annual MCDA funding appropriations for neighborhood activities consistent with those envisioned in this section and with the transition principles adopted by the City Council for neighborhoods and the downtown/riverfront community.

**419.60. Policy Board.** (A) Pursuant to Chapter 604, Minnesota Laws, 1990, the City Council, by resolution, shall establish a Neighborhood Revitalization Program Policy Board consisting of membership from the City Council, the Hennepin County Board, the board of Minneapolis Special School District #1, the board of the Minneapolis Public Library, the Minneapolis Parks and Recreation Commissioners, the mayor or his or her designee, a representative from the Minnesota House of Representatives delegation from Minneapolis, and a representative from the Minnesota Senate delegation from Minneapolis. The elected officials on the Policy Board may appoint to the Policy Board such additional representatives of Minneapolis labor, business, neighborhood, community, City-wide and social service organizations as they deem appropriate.

(B) ~~By March 1 of each year, the MCDA shall submit to the~~  
~~Policy Board the estimate of the Program money, as defined in Section~~  
419.40, and other funds available for the Neighborhood Revitalization Program.

(D) The Mayor's Unified Budget Proposal each year shall include the estimated sources and amounts of Program funds available for the Neighborhood Revitalization Program and recommendations on the expenditures for the next fiscal year. Each year the City Council shall include in its general appropriation resolution for the MCDA a designation of the uses of the Neighborhood Revitalization Program funds consistent with the requirements of Minnesota Statutes Sections 469.174 to 469.179, and Chapter 604, Minnesota Laws, 1990. Pursuant to Chapter 604, Minnesota Laws 1990, amounts required to be available to the school district and Hennepin County for education and educational support programs and for social services shall be included in the general appropriation resolution for the MCDA.

(E) The amounts available to the school district and to Hennepin County for education programs and services and for social services must be expended as part of an approved program and spending plan, as required by Chapter 604, Minnesota Laws 1990. The boards of Minneapolis Special School District #1 and Hennepin County separately shall adopt program and spending plans for the funds available to them consistent with the Neighborhood Revitalization Program and shall forward their plans to the Policy Board for approval. Payments to each board shall only be made upon approval of its plan by the Policy Board.

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Dziedzic							Scallion						
Campbell							Niemiec						
Hilary							Cramer						
Rainville							Schulstad						
Cherryhomes							Johnson						
Coyle							President						
Scott							Sayles Belton						

PASSED \_\_\_\_\_ DATE \_\_\_\_\_ APPROVED — NOT APPROVED — VETOED \_\_\_\_\_ DATE \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT OF COUNCIL MAYOR

ATTEST \_\_\_\_\_



1ST READING:
12-15-89
REFERRED TO (NAME OF) COMMITTEE:
Comm Dev & W&M/Budget
PUBLIC HEARING:
6-11-90
2ND READING AND FINAL PASSAGE:
6-15-90

# AN ORDINANCE of the CITY OF MINNEAPOLIS

Hilary, Cramer and Scallon

presents the following ordinance:

**Repealing Title 16, Chapter 421 of the Minneapolis Code of Ordinances and adding a new Chapter 421 relating to Planning and Development: Tax Increment Refunding.**

The City Council of The City of Minneapolis do ordain as follows:

Section 1. That Chapter 421 of the Minneapolis Code of Ordinances be and is hereby repealed.

Section 2. That the Minneapolis Code of Ordinances be amended by adding thereto a new Chapter 421 to read as follows:

## **Chapter 421. Tax Increment Refunding.**

**421.10. Purpose.** The purpose of this chapter is to guide the Minneapolis City Council, the Minneapolis Community Development Agency (MCDA) and others in the wise use of the tax increment financing tool in accomplishing the redevelopment and revitalization of Minneapolis as authorized by Chapter 650, Minnesota Laws 1984.

**421.20. General guidelines.** The tax increment policy as adopted by the City Council in July, 1982 contains provisions that give more specific direction to the most appropriate use of tax increment financing. The tax increment policy will be applied to the tax increment projects and the use of tax increment project revenues pursuant to Chapter 650, Minnesota Laws 1984.

**421.30. Goals and objectives.** In addition to those stated in the tax increment policy, four goals refer specifically to the tax increment refunding as authorized in Chapter 650, Minnesota Laws 1984:

- (1) provide for greater flexibility and efficiency in the use of tax increment district revenues.
- (2) provide the opportunity for a City-wide planning and prioritizing of project activities both on an annual and five year basis.
- (3) eliminate the need for future loans or tax levies to meet debt service payments.
- (4) decrease the upward pressure on property tax rates by sharing the benefits of the City's tax increment program with the taxing jurisdictions.

**421.40 Neighborhood Revitalization Program.** The City will commit ten million dollars in 1990 and twenty million from 1991 to 2009 for Neighborhood Revitalization Program activities. These funds will be comprised of:

- (1) for the years 1990 through and including 2001, program money as provided for in Chapter 604, Minnesota Laws 1990. Program money is an amount of revenues derived from tax increment equal to the sum of (a) fifty percent of the tax increment derived from the excess of the tax capacity projected for taxes payable over the captured assessed value (converted to tax capacity) payable in 1986, said 1986 base as established by the city for each of the tax increment districts included in the 1984 refunding. (Projects under construction before January 2, 1985 are exempt from this obligation). The established districts to be included are districts known as the 1984 refunded districts; and (b) in years 1990 through 1999, the difference between the scheduled annual debt service for the refunding bonds of 1984 and the refunding bonds of 1990; and
- (2) other revenues from the MCDA Common Project funds necessary to fulfill the twenty million dollars per year commitment. The twenty million dollars shall not include and shall be in addition to the amounts required to be transferred to the school board for school aid reduction and to Hennepin County for property tax relief, pursuant to Chapter 604, Minnesota Laws 1990.

**421.50. Redevelopment activities and neighborhood revitalization program initiatives.** The source of funds for Neighborhood Revitalization Program initiatives and redevelopment activities will be a combination of tax increment and non-tax increment funds and will be administered through the MCDA's Neighborhood Development Bank. Relative to those projects included in the refunding as authorized in Chapter 650, Minnesota Laws 1984 and in the 1990 refunding, the redevelopment activities will be of two types:

(A) Completion of planned and new redevelopment activities. In the last ten years, the City has established tax increment districts to carry out redevelopment activities in various parts of the City. Many of these districts were designed to carry out their redevelopment efforts in sequential stages as redevelopment funds and potential private sector commitments for development materialize.

The tax increment refunding shall contribute to the ability of these districts to complete their adopted plans and goals as reflected in both the annual redevelopment budget and the five year redevelopment plan approved by the Minneapolis City Council. Redevelopment activities include downtown, riverfront and neighborhood projects that are currently existing and have revitalization activity yet to occur as well as new activities to be undertaken in these areas;

(B) Neighborhood Revitalization Program initiatives. There is a need to provide a source of funds for new revitalization initiatives in addition to those currently planned in existing project areas. These initiatives will include additional redevelopment activities in the 1990 refunded tax increment districts and their redevelopment project areas and new redevelopment activities in other neighborhood blighted areas as determined by the Neighborhood Revitalization Program process, described in Section 419.50.

(C) All expenditures of tax increment revenues will be consistent with state statutes. The City and MCDA will apply tax increment policy to all neighborhood revitalization activities that use tax increment revenues. Cost-benefit analysis will consider the potential for arresting declining property values, increasing public revenues, stimulating private economic activity, reducing other public expenditures, and other significant benefits, as detailed in Section 421.70.

(D). Non-tax increment funds for neighborhood revitalization initiatives will be derived from such sources as land sale and lease revenues, other miscellaneous non-tax increment sources, non-tax increment interest earnings, development recapture, and developer fees. Non-tax increment funds may be used for such purposes as physical revitalization activities, housing and economic development projects and programs, human development programs, other neighborhood facilities and services, citizen participation activity and such other activities as are permitted by law.

(E). Funding decisions for redevelopment and neighborhood revitalization activities shall be guided by priorities determined through the Neighborhood Revitalization Program process, the transition principles adopted by the City Council and the Directions Framework. The City, will make every effort to assure a base level of support to all activities which address serious blighting influences.

**421.60. Allocation of funds to redevelopment activities and neighborhood revitalization initiatives.**

(A) The redevelopment activities and neighborhood revitalization initiatives described herein must be integrated into both one and five year spending plans. To that end the MCDA shall prepare and submit for city council approval each year an annual redevelopment budget and a five year redevelopment plan. This submission will coincide with the normal submission date of the annual operating budget. The annual redevelopment budget and the five year redevelopment plan will contain similar information. Estimates contained in the five year plan will be less detailed than the annual budget. Both documents will contain, for each tax increment district, similar information as follows:

- (1) Available funds by year, including district fund balances, tax increment revenue, other district revenue by type, capital advances, transfer of tax increment revenues.
- (2) Uses of each of these fund sources by year, including redevelopment project costs, loan repayments, debt service payments, transfer of unrestricted revenues, transfer of tax increment revenues.

(B) In relation to the uses of funds, existing and new redevelopment project and neighborhood revitalization expenditures will be described as fully as possible, City redevelopment goals, objectives, and policies, including the Neighborhood Revitalization Program recommendations, will be used to establish project priorities. The five year redevelopment plan will list those priorities and general parameters for the use of available resources. The annual redevelopment budget will accompany the MCDA's annual budget request and proceed through the regular budget process:

**421.70. Criteria for allocation of funds to redevelopment activities and neighborhood revitalization initiatives.** The following criteria will be among those used to assist the MCDA, the City Council, Mayor and Policy Board in allocating revenues to specific redevelopment projects or programs and neighborhood revitalization initiatives through the annual redevelopment budget, the five year redevelopment plan, and the annual city budget. The annual allocations to specific projects and programs should be in accordance with the priorities and parameters established in the five year redevelopment plan.

A system of cost-benefit analysis, approved by the City Council, will be used when the MCDA brings specific redevelopment proposals to the City Council and Mayor for final approval. The criteria are as follows:

-4-

(A) Private investment: Amount of private investment leveraged for every dollar of public investment or subsidy.

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Measurements:

- (1) Amount of private investment per amount of public investment.
- (2) Amount of private investment per square foot of site area.

(B) Employment impact: Degree of creation or retention of jobs with special attention given to permanent positions for unemployed persons and residents in specifically targeted areas.

Measurements:

- (1) Amount of public investment per job.
  - (2) Employment per square foot of floor area.
  - (3) Employment of city residents in jobs created.
  - (4) Company's programs to recruit and train unemployed persons and residents in specifically targeted areas.
  - (5) Cyclical or seasonal nature of business should be considered.
  - (6) Payroll, average hourly earnings.
  - (7) Potential for job growth.
  - (8) Affirmative action performance.
- (C) Fiscal impact: Significance of increase in added tax base.

Measurements:

- (1) Property taxes per square foot of site area.
- (2) Property taxes per dollar of public investment.
- (3) Encourage future development in the area.

(D) Physical impact: Degree of conformance to zoning, plan requirements, and current and planned adjacent development.

Measurement:

- (1) Potential for compatibility with surrounding neighborhood and future development.
- (2) Provision of adequate vehicular access and parking.
- (3) Removal of blighting influences.

(E) Financial Impact: Necessary public investment, repayment or payment of bonds or other expenditures and recapture.

Measurements:

- (1) Degree to which public investment is necessary to make the development economically feasible or to make the development competitive with sites outside the city. site
- (2) Financial feasibility for the development (sales price, percent of return on investment, etc.) with and without public assistance, and as compared to competitive sites and developments.
- (3) Risk to private developers based on dis-investment trends and blighting influences.
- (4) Time for repayment of tax increment bonds or pay-back of expenditures funded without bond sales. Revenues used to calculate these terms should be only those generated by the specific redevelopment activity for which bonds or other funds are expended.

Type of Redevelopment	Maximum Period
Low/Moderate* income housing	20 years **
Upper income* rental housing	15 years
Upper income* ownership housing	10 years
Commercial	20 years **
High density mixed use/office	10 years
Industrial	15 years **
Hotels	15 years

- \* Low/moderate or upper income as defined by the Minnesota State Housing Finance Agency.
- \*\* Low/moderate income housing/low density commercial and industrial projects where pollution is involved may require longer pay-back periods.

- (5) Extent to which the public investment is recaptured through various methods including but not limited to long-term ground leases, subordinated loans to be repaid upon sale or refinancing and equity participation. Provision shall be made for the recapture of public investment to the maximum extent feasible above a reasonable rate of return on investment by developers.
- (6) Availability of collateralized guarantees and assessment agreements prior to the issuance of the bonds or any other public investment.
- (F) Tax Increment Policy Conformance: Extent to which the proposed project or program conforms to the tax increment policy.
- (G) Impact on Low Income Persons: Extent to which the project or program will address the needs of low income persons.
- (H) Impact on neighborhood revitalization: Extent to which the project or program helps in the revitalization of the City's neighborhoods.

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- (1) Conformance with Neighborhood Action Plans and extent to which the proposed project or program has had citizen review or participation in its development.
  - (2) Impact on neighborhood livability and quality of life of all population groups within the neighborhood.

**421.80 Procedure for modification.** Any modification or amendment of the foregoing limitations may be adopted only upon the notice and after the discussion, public hearing, and findings required for approval of the original tax increment financing plans. The foregoing limitations shall apply equally to all districts included in the 1984 and 1990 refunding, whether or not there is a tax increment plan for such districts.

RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Dziedzic							Scallion						
Campbell							Niemiec						
Hilary							Cramer						
Rainville							Schulstad						
Cherryhomes							Johnson						
Coyle							President						
Scott							Sayles Belton						

PASSED \_\_\_\_\_ DATE \_\_\_\_\_ APPROVED — NOT APPROVED — VETOED \_\_\_\_\_ DATE \_\_\_\_\_

\_\_\_\_\_  
PRESIDENT OF COUNCIL MAYOR

ATTEST \_\_\_\_\_