

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H.F. 1291 **DATE:** March 30, 2009

**Version:** As introduced

**Authors:** Lesch and others

**Subject:** City of St. Paul, special tax increment financing (TIF) authority

**Analyst:** Joel Michael, joel.michael@house.mn

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### Overview

This bill allows the city of St. Paul to extend the duration of four TIF districts to fund improvements related to the Central Corridor LRT line. These districts would be exempted from various limits on spending increments under general law.

#### Section

- 1 Central Corridor LRT project area.** Authorizes the St. Paul housing and redevelopment authority (with approval by the city) to establish a project area for the Central Corridor LRT project. At least 80 percent of this area must be within a quarter mile of the “transit alignment.” Project areas under the TIF law are the geographic areas in which moneys, including tax increments, may be spent.
- 2 City of St. Paul; TIF.** Authorizes St. Paul to extend the duration of four TIF districts in the city until December 31, 2029. The extensions range from 8 to 15 years:

- Spruce Tree is scheduled to decertify in 2014 – an additional 15 years
- Scattered site is scheduled to decertify in 2016 – an additional 13 years
- Snelling University is scheduled to decertify in 2016 – an additional 13 years
- Hubbard is scheduled to decertify in 2021 – an additional 8 years

**Special rules.** These extended districts would be exempted from various rules that apply under general law:

- The limits on the use of increments from soil condition districts, since the Hubbard district is a soils condition district
- The prohibition on use of increments for general government purposes (e.g., streetscaping improvements and similar)

- The requirement to use increments from redevelopment districts for blight correction
- The prohibition on the use of increments for parks, social and recreational facilities, and certain parking facilities
- The percentage pooling restrictions
- The 5-year rule

**Effective date:** Upon local approval by the city, but not the county and school as is required for duration extensions.