



Request for City Council Committee Action from the Department of

Date: March 20, 2012

To: Council Member Lisa Goodman, Chair, Community Development Committee

Subject: Decertification of Impact Mailing Tax Increment Financing District

Recommendation: That the City Council adopt the attached resolution approving the formal decertification of the Impact Mailing Tax Increment Financing (TIF) District No. 77.

Previous Directives:

On April 25, 1997, the City Council adopted a resolution establishing the Impact Mailing TIF District No. 77 (the "District") and approving the TIF Plan relating thereto, as well as a modification to the Camden Redevelopment Plan and the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan.

Department Information

Prepared by: Pamela McKenna, Development Finance Specialist (673-5038)
Approved by: Charles T. Lutz, Interim Director, CPED _____
Jeff C. Streder, Director, Development Finance _____
Presenter in Committee: Jeff Streder

Financial Impact

- There is no financial impact as a result of this this action.

Background Information

The District was initially established within the Common Project to assist Impact Mailing, Inc. in the expansion of its facility in the Camden Neighborhood. The District was approved by the Council on April 25, 1997 and its original tax capacity was certified by Hennepin County on May 19, 1997.

Under the provisions of the TIF Act in effect at that time, a municipality was required to submit evidence that qualifying activities had occurred on each parcel within a district within four years of certification of a district. Parcels which had no qualifying activities were subject to the "knockdown" provision of the TIF Act and removed from the district.

In February 2002, evidence was submitted to Hennepin County that qualifying activities had not occurred on the parcels located within the District as of May 19, 2001, resulting in all parcels being deleted from the District. A total of \$171,500 in tax increment revenue was generated from the District. No tax increment revenue has been collected by the City since 2003 and all tax increment revenues have been used for qualifying costs of the Common Project.

The value of the properties formerly within the District has been included as part of the City's tax base since 2003.

The Office of the State Auditor has requested that the Council adopt a resolution to formally decertify the District.

**RESOLUTION
OF THE
CITY OF MINNEAPOLIS**

By Goodman

Approving Decertification of Impact Mailing Tax Increment Financing District

Whereas, on April 25, 1997, the City Council of the City of Minneapolis adopted a resolution establishing the Impact Mailing TIF District No. 77 (the "District") and approving the TIF Plan relating thereto, as well as a modification to the Camden Redevelopment Plan and the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan; and

Whereas, as of May 19, 2001, representing four years from the date of certification of the original value of the District, qualifying activities had not occurred on the individual parcels within the District, resulting in all parcels being knockdown from the District pursuant to Minnesota Statutes, Sections 469.174 through 469.179, as amended (the "TIF Act"); and

Whereas, all obligations of the City with respect to the District have been satisfied; and

Whereas, no tax increment revenue was received from the County since 2003 and all revenue collected has been used to pay qualifying costs of the District and the Common Project; and

Whereas, action must be taken by the City Council to formally decertify the District;

Now, therefore, Be It Resolved by the City Council of the City of Minneapolis:

That the Impact Mailing Tax Increment Financing District No. 77 be decertified as of December 31, 2003.

City staff is directed to prepare and submit to the Office of the State Auditor and Hennepin County the documentation necessary to formalize this decertification.