



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: August 8, 2006

To: Council Member Lisa Goodman, Community Development Cmte
Council Member Paul Ostrow, Ways and Means/Budget Cmte

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Approved by: Jack Kryst, Director, Development Finance _____

Subject: RECEIVE AND FILE 2005 ANNUAL TAX INCREMENT
DISCLOSURE REPORT

RECOMMENDATION: THAT THE CITY COUNCIL RECEIVE AND FILE THE 2005
ANNUAL TAX INCREMENT DISCLOSURE REPORT.

Previous Directives: Not applicable.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Community Impact (Summarize below)

Ward: City-wide

Neighborhood Notification: Not applicable; however, pursuant to statute, a summary version of the Annual Disclosure will be published in the Legal Notice section of the Minneapolis Star Tribune on August 15, 2006.

City Goals: Not applicable.

Comprehensive Plan: Not applicable.

Zoning Code: Not applicable.

Living Wage/Job Linkage: Not applicable.

Background/Supporting Information

State statute requires municipalities and redevelopment authorities to report annually on their use of tax increment financing. In 1995, the Office of the State Auditor assumed broader responsibility for oversight in this area and developed a new set of reporting forms in order to systematize reporting on a statewide basis. This year three types of forms were completed: (1) a Tax Increment Financing (“TIF”) District Report for each tax increment district; including an Excess Tax Increment Calculation Report for each tax increment district; (2) a TIF Non-District Fund Report for the Tax Increment Administration Fund (CAD), the Common Project Reserve Fund (CPZ), the Preliminary Planning Fund (CPP), Neighborhood Revitalization Program Fund (CNR) and the Common Project Uncertified Fund (CAZ); and (3) a Pooled Indebtedness Report for each bond issue or other debt supported by pooling tax increment revenue from more than one TIF district.

For the year ended December 31, 2005, the City completed and submitted 112 forms to the State Auditor. These forms were based on 97 reportable TIF districts, five reportable funds and ten pooled debt issues. These forms were submitted using the online reporting system developed by the Office of the State Auditor.

In addition to the State Auditor, the City is required to submit a copies of the Annual Tax Increment Disclosure Reports to the county auditor. A summary of the disclosure reports are required to be provided to the school board and the County, as well as published in a newspaper of general circulation within the City. A copy of such summary is expected to be published in the Minneapolis Star-Tribune on August 15, 2006. A copy of the summary is included with this report for your information.

A copy of the full 2005 Annual Tax Increment Disclosure Report is on file in the office of the Finance Department, Development Finance Division.