

City of Minneapolis
Public Financial Assistance Fee Policy

I. Purpose of Policy

The City of Minneapolis incurs costs in the review, analysis and evaluation of development proposals and other requests for public financial assistance. Such costs are incurred regardless of whether the requested assistance is approved. The City seeks to recover public costs associated with this review and analysis. Public costs may include staff time as well as out-of-pocket expenses such as appraisals, market studies, environmental assessments, consulting fees, condemnation costs, and others.

Applications for public financial assistance received on or after ~~January 1, 2004~~ December 1, 2005 are subject to this policy.

II. Applicability

Requests for the following forms of financial assistance are subject to public financial assistance fees pursuant to this policy:

- 1) tax increment financing;
- 2) tax abatement; and
- 3) Leveraged Investment Fund loans.

Other types of financial assistance may be subject to administrative fees pursuant to separate fee policies.

III. Types of Fees

1) Application Fee

An application fee of ~~\$1,000~~ \$2,000 must be paid by the applicant at the time that a formal *Application for Public Financial Assistance* is submitted to the City. This nonrefundable fee will help pay for City staff time necessary to review the application and provide a preliminary analysis as to the feasibility of the project and the appropriateness of the requested financial assistance.

A staff team will be assigned to review and analyze the application. The team will normally consist of a project coordinator, a development finance analyst and an attorney, but may include other staff as well.

2) Project Analysis Fee

If the staff team finds that (a) the application is complete, (b) a preliminary review and analysis indicates the project may be feasible, and (c) some level of public financial assistance may be justified, then the staff team will determine the amount of the project analysis fee and will recommend that the Director of Community Planning & Economic Development (CPED) ~~seek Project Analysis Authorization (PAA) from the City Council. The report to the City Council requesting PAA will identify the amount of the project analysis fee. approve the fee and authorize staff to continue analysis of the proposal (Project Analysis Authorization, or PAA).~~

The nonrefundable project analysis fee will be based on the estimated cost of staff time and other expenses up to the point in time when the request for public financial assistance is either approved or denied by the City Council. The estimated cost shall include, but not be limited to, staff activities in the areas of project coordination, financial analysis, legal review, document preparation, engineering, real estate and administration, and other expenses such as appraisals, market feasibility studies, environmental assessments, consulting fees, condemnation costs, and others.

If PAA is approved by the ~~City Council~~ Director of CPED, the applicant must immediately pay the project analysis fee in order for staff analysis of the proposal to continue.

If at any time reasonable out-of-pocket expenses exceed the collected fees, the difference shall immediately be paid by the applicant as an additional project analysis fee.

Acceptance by the City of Minneapolis of the application or project analysis fee does not signify a commitment on the part of the City to undertake any specific actions or to grant approval of any requested public assistance.