



- City Council
- City-Wide
- Department

Approved: 11/16/2021
Revised: [Click here to enter a date.](#)

Policy for Use of Unobligated Tax Increment Financing (TIF) Funds

OVERVIEW

The purpose of this Policy is to identify goals and establish guidelines pertaining to the City's use of its unobligated TIF cash balances for financial assistance to stimulate private construction and rehabilitation projects that create jobs. The use of these unobligated TIF balances is responsive to 2021 Minnesota Statutes, Section 469.176 subdivision 4n.

This policy shall be used as a guide for unallocated TIF monies available under the City's approved Spending Plan and seeks to invest these monies to enable additional private investment that creates jobs and also delivers benefits to the general public.

Pursuant to the TIF Act, the purpose of these expenditures is to spur construction, expansion, or rehabilitation of commercial, industrial, or mixed-use buildings and supporting infrastructure within the City's commercial and industrial districts so as to create or retain local jobs and stimulate additional private investment in the City.

This policy is intended to be in effect upon approval and to expire December 31, 2025, unless changed by Minnesota Statute.

SPENDING PLAN FOR UNALLOCATED TAX INCREMENT

A Spending Plan has been prepared to formalize the use of unobligated incremental property taxes in accordance with the 2021 Minnesota Statutes. This Spending Plan identifies approximately \$9,650,000 of unallocated monies generated from three existing TIF Districts located within the Southeast Edina Redevelopment Project Area: Southdale 2, Pentagon Park and 70th/Cahill. Any funds utilized under this provision must be expended by December 31, 2025, unless that date is modified by State Law.

CONSIDERATION OF PROJECTS

Each project will be evaluated on a case-by-case basis in accordance with the qualifications identified in Minnesota Statute, the Spending Plan and this Policy. The HRA retains the right to evaluate projects under this Program as it sees fit to meet the overall objectives of the TIF Act. This policy outlines how funds will be provided for qualified construction activities. Assistance will be considered upon evidence that construction would not have occurred without such assistance and alternatives for financing are not feasible.

POTENTIAL PROJECTS

The types of projects to be funded include but are not limited to the following: renovation of existing buildings and construction of new buildings, including public improvements directly related to the renovations and construction. Examples might include: renovations of theaters and restaurants, construction of new commercial facilities, renovation for business incubators or business accelerators, construction of public parking, public sidewalks or public utilities that serve the private investments. These funds can also be used for housing, if jobs are created.

PUBLIC BENEFITS FROM PRIVATE INVESTMENT

Projects shall stimulate private investment while also creating benefits to the general public. At a minimum, these public benefits should include:

- Growth or stabilization of property tax base,
- Creation of construction jobs and/or permanent jobs
- Reoccupy a vacant facility (or portion thereof) or construct a new facility for occupancy

Funded Projects should also include at least one of the following:

- Preservation or restoration of historic and culturally significant sites and elements
- Public improvements that are identified in the City's Capital Improvement Plan or similar planning document
- Public easements for non-motorized vehicles or mass transit
- Conservation easements to protect established trees or wetlands, where applicable
- Easements for public plazas with combination of landscape, hardscape and public art that is owned and maintained by private owners, or
- Easements for public parking that is owned and maintained by private owners

If applicable to the scope of work, funded Projects should also:

- Remediate environmental contaminants
- Apply sustainable design and construction practices to reduce the carbon footprint or to reduce greenhouse gas emissions

BUSINESS SUBSIDY

All projects approved pursuant to this policy that constitute a business subsidy under Minnesota Statutes, Sections 116J.993 through 116J.995, as amended, will be subject to the City's Business Subsidy Policy.

FINANCIAL REPORTING

The expenditure of unallocated tax increment shall be reported as required by Minnesota Law and in the format required by the Minnesota Office of the State Auditor (OSA) and any other required financial audits or reports.