



April 29, 2020

Representative John Petersburg
100 Rev. Dr. Martin Luther King Jr. Blvd.
217 State Office Building
St. Paul, MN 55155

Dear Representative Petersburg,

The Greater Minnesota Partnership is in support of HF 3876. This legislation recognizes that economic development in many parts of Greater Minnesota happens at a different pace than in the Metropolitan area. This is especially true in redevelopment projects that involve more than a single parcel of land with one building. It simply takes longer to assemble necessary parcels of land for many communities.

Redevelopment Tax Increment Financing (TIF) can be used for up to 25 years, making it a very powerful tool for local units of government to use in order to redevelop blighted property. Currently, once a blighted property is removed, the local unit of government has 5 years to begin redeveloping a site. After 5 years, the 25-year maximum clock begins even if the development has not yet begun. For example, if it takes 8 years from the time the first blighted property is removed, the resulting TIF district would be limited to 22 years.

In order to keep the 5-year clock from starting, a community can simply delay removal of the blighted property. However, this results in sub-standard blighted buildings being kept in place only to prevent the clock from ticking. This can result in eyesores that impact other nearby property. This also makes it harder to attract developers. HF 3876 addresses the incentive in existing laws to keep blighted properties in place by allowing up to 10 years for the development to occur.

HF 3876 will allow for additional local control and better redevelopment projects moving forward, taking advantage of existing infrastructure.

Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "Dan Dorman". The signature is written in a cursive, flowing style.

Dan Dorman, Executive Director
Greater Minnesota Partnership

cc: Chair Lyndon Carlson, House Property and Local Tax Division
House Property and Local Tax Division Members