

Subject Expanding the size of commercial facilities which small cities can assist with economic development districts

Authors Davids

Analyst Justin Cope

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Overview

Economic development districts are a type of tax increment financing district designed to expand employment or tax base in the state. Increment from these districts must generally be spent on developing buildings for manufacturing, warehousing, research and development, telemarketing, tourism in qualifying areas, or qualifying workforce housing.

Small cities are given an exception from this limit on use of increment from economic development districts. To qualify as a small city, a city must both have a population under 5,000 and be at least 10 miles from the nearest Minnesota city with a population over 10,000. A small city may use an economic development district to develop any separately owned commercial facility of up to 15,000 square feet.

This bill would expand the size of the commercial facilities that small cities could assist with increment from economic development districts by applying the 15,000 square-foot limit only to the ground floor. With this change, multistory facilities with 15,000 square foot footprints could be developed under the small city exception.

Summary

Section	Description
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| 1 | Economic development districts.
Limits applicability of the 15,000 square foot limit to the ground floor of commercial facilities developed by small cities with economic development district assistance. |
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