

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 609

DATE: March 28, 2003

Version: First Engrossment

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Subject: Minneapolis planning and development department

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Overview

The bill grants the city of Minneapolis authority to: create a community planning and economic development department to centralize and streamline development activities; transfer development authority and the assets and liabilities of the existing agencies to the new department; establish the management structure for the new department; and provide for the transfer of employees from existing agencies to the new department.

Section

1 Minneapolis community planning and economic development department.

Subd. 1. Authorizes the city of Minneapolis to:

- ▶ establish a community planning and economic development department;
- ▶ transfer the related duties and functions of any other city department or office;
- ▶ transfer employees from the Minneapolis community development agency (MCDA) to the new department, including transferring employees not already in the city's classified service into the classified service;
- ▶ establish positions in the unclassified service for the new department; and
- ▶ establish terms and conditions of employment for the new department.

Subd. 2. Provides that employees of the new department are city employees for the purposes of membership in the public employees retirement association (PERA). Requires employees transferred from MCDA to elect within six months whether to

Section

continue in their retirement plan as of the date of the transfer or join PERA. Employees who are members of the Minneapolis employees retirement fund may continue in that fund and retain their status in the fund.

Subd. 3. Provides that terms of a collective bargaining agreement in effect between MCDA and its employees are binding upon the city for transferred employees for the term of the contract.

Subd. 4. Provides for employees who elect to join PERA to purchase allowable service credits based on prior service with MCDA.

2 Authority.

Subd. 1. Authorizes the city to exercise the powers granted in statute to housing and redevelopment authorities, port authorities, and economic development authorities, and for area redevelopment, city development, municipal industrial development, enterprise zones, and tax increment financing.

Subd. 2. Authorizes the city to delegate to the new department the powers authorized under subdivision 1, except the power to tax and the power to issue obligations of the city.

Subd. 3. Provides that assets and obligations of the MCDA may be transferred to the city and administered by the new department. The city will be bound by any associated contractual obligations which previously applied to the MCDA, except that obligations will be secured by the assets pledged by the MCDA and not the full faith and credit and taxing power of the city.

Subd. 4. Authorizes the city to pledge revenues, assets, reserves, or other property transferred to the city from the MCDA to the payment of city obligations.

Subd. 5. Authorizes the city to pledge its full faith, credit, and taxing power to finance programs and projects undertaken by the new department.

Subd. 6. Authorizes the city to deposit money and investments transferred from the MCDA into any city fund or account unless prohibited by law or contract.

Subd. 7. Authorizes the city to dissolve the MCDA if all assets, programs, and obligations of the MCDA are transferred to the city.

Subd. 8. Deems industrial development to include economic and housing development for the city's purposes.

3 Limitations.

Subd. 1. Requires that obligations issued to finance activities of the new department be issued by the city council or by the city's board of estimate and taxation at the request of the city council.

Subd. 2. Deems actions under sections 1 to 3 to be within the city's charter.

4 Effective date; local approval. Effective the day after local approval conditions are met.