



## *2019 Legislative Policy*

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### **Funding for SWLRT:**

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- The City of Hopkins supports transit funding for the Southwest Light Rail and the financial match needed to ensure the line is built.
- The City of Hopkins supports the implementation of funding for transit improvement areas and urges the Legislature to authorize various funding mechanisms for transit improvement areas including; tax increment financing, tax abatement, bonding, and general fund appropriations for a revolving loan program or grant program.

### **Bonding Bill for Inflow and Infiltration:**

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- Assist local communities in funding repairs and upgrades to local sewer infrastructure. The City of Hopkins supports bonding for this purpose.

### **Local Control:**

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- No restrictions on local government budgets such as levy limits and property tax freezes.

### **Redevelopment Funding from Bonding Bill or DEED:**

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- Redevelopment allows local communities to adjust to changing market conditions, better utilize existing public infrastructure, and maintain a viable local tax base. However, due to the high up-front costs of redevelopment, as compared to Greenfield development, desirable redevelopment projects often require public assistance.

- It should be the goal of the State Legislature to champion development and redevelopment throughout the state by providing enough sustainable funding to assure that the state remains competitive in a global marketplace. The City of Hopkins supports increased funding and flexibility in the Metropolitan Council’s Livable Communities Programs. It strongly opposes funding reductions, transfers of Livable Communities Program funds to other program areas and constrains on eligibility and Program requirements.

## **In addition, the City of Hopkins supports:**

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- Increased, flexible and sustained Contamination Cleanup and Investigation Grant Program, administered by DEED.
- New financing and regulatory tools to nurture Transit Oriented Development, including increased flexibility in the use of TIF for this purpose.
- New or expanded funding for the development of affordable housing.
- Increased and sustained general fund and state bond funds for the Redevelopment Grant Program, administered by DEED, dedicated to Metropolitan Area projects.
- The evaluation of SAC fees to determine if they hinder redevelopment.
- Expansion of existing tools or development of new funding mechanisms to correct unstable soils.
- State adoption of an income tax credit program to facilitate the preservation of historic properties.
- Revisit the laws on condominium developments to see if they are a reason why condos are not being developed. It is another type of housing that could add to our housing diversity.

## **TIF:**

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- Tax increment Financing (TIF) has been and continues to be the primary tool available to local communities for assisting economic development, redevelopment and housing. Over time, several statutory changes have made this critical tool increasingly difficult to use, while recently property tax reform has resulted in a decreased state financial stake in city TIF decisions. At the same time that TIF has become more restrictive and difficult to use, federal and state development and redevelopment resources have been steadily shrinking. The 2006 eminent domain changes will make redevelopment significantly more expensive in some cases, and impossible in others. The cumulative impact of TIF restrictions shrinking federal and state redevelopment resources, and changes to eminent domain laws will restrict a city’s ability to address problem properties and will accelerate the decline of

developed cities in the Metropolitan Area. Without proper tools and resources to address decline, cities will be unable to stop it. At a minimum, the state should authorize increased flexibility in local TIF decisions.

## **The City of Hopkins urges the Legislature to:**

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- Not adopt any statutory language that would further constrain or directly or indirectly reduce the effectiveness of TIF;
- Incorporate the Soils Correction District criteria into the Redevelopment District criteria so that a Redevelopment District can be comprised of blighted and contaminated parcels in addition to railroad property;
- Expand the flexibility of TIF to support a broader range of redevelopment projects;
- Increase the ability to pool increments from other districts to support projects;
- Continue to monitor the impacts of tax reform on TIF districts and if warranted provide cities with additional authority to pay for possible TIF shortfalls;
- Allow for the creation of transit zones and transit related TIF districts to address development and redevelopment issues associated with transit or transfer stations;
- Shift TIF redevelopment policy away from a focus on “blight” and “substandard to “functionally obsolete” or a focus on long range planning for a particular community, reduction in greenhouse gases or other criteria’s more relevant current needs;
- Encourage DEED to do an extensive cost-benefit analysis related to redevelopment, including an analysis of the various funding mechanisms, and an analysis of where the cost burden fall with each of the options compared to the distribution of the benefits of the redevelopment project; and
- Consider creating an inter-disciplinary TIF team to review local exception TIF proposals, using established criteria, and make recommendations to the legislative on their passage.
- For sites that do not meet the restrictive blight and contamination definitions of the 2006 changes to eminent domain law, the Legislature should explore creating incentives to encourage owners whose properties meet the blight definitions under M.S., Chapter 469, to voluntarily sell their land for redevelopment purposes. Incentives could include income tax credits, capital gains deferrals or other incentives targeted at property owners.
- The City of Hopkins encourages the State Auditor to continue to work toward a more efficient and streamlined reporting process.

## **Housing and Commercial:**

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- The legislature should also re-enact a program similar to “This Old House” which would allow qualifying owners of single family homes, multi-unit rental properties, and commercial buildings to defer the increase in tax capacity from repairs or improvements. This would allow greater flexibility in targeting commercial development and redevelopment as well as act as incentive for cities to maintain housing stock.

## **Elections:**

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- **Presidential Primary:** The current process for conducting a presidential primary in 2020 needs to be improved to ensure an efficient and positive voting experience for those who chose to participate. To do so, the League of Minnesota Cities supports:
  - a) Exploring expanding the list of reimbursable items currently outlined in statute to ensure that local units of government are fully reimbursed for conducting the primary;
  - b) Restricting the dissemination of party declaration information to the political parties only and not including it on the public information lists; and
  - c) Allowing the presidential primary to be conducted via mail balloting.
- **Mail Balloting:** The City of Hopkins supports allowing all cities to conduct mail balloting.

## **Motor Vehicle Lease Sales Tax Allocation to Hennepin County:**

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- The City of Hopkins advocates for eliminating the tax exemption that prevents Hennepin and Ramsey counties from receiving their portion of the sale tax on leased vehicles through the county state aid formula. This change would provide an estimated \$10.7 million in annual funding to Hennepin County to be used for improvements to roads and bridges