

AGENDA
MAPLEWOOD AREA ECONOMIC DEVELOPMENT AUTHORITY
Monday, January 28, 2013

**The Maplewood City Council Serves as the
Maplewood Area Economic Development Authority**

A. CALL TO ORDER

B. ROLL CALL

C. APPROVAL OF AGENDA

D. APPROVAL OF MINUTES

1. Approval of December 10, 2012 Economic Development Authority Meeting Minutes

E. PUBLIC HEARING

None

F. UNFINISHED BUSINESS

1. Election of Officers

G. NEW BUSINESS

1. Approval of Resolution Authorizing Legislation Request for Tax Increment Financing District for Research and Development Lab Facility on 3M Campus

H. ADJOURNMENT

**MINUTES
MAPLEWOOD AREA ECONOMIC DEVELOPMENT AUTHORITY
December 10, 2012
Council Chambers, City Hall**

A. CALL TO ORDER

A meeting of the City Council serving as the Economic Development Authority, (EDA), was held in the City Hall Council Chambers and was called to order at 9:00 p.m. by EDA Vice-Chair Rossbach.

B. ROLL CALL

Will Rossbach, Vice Chair	Present
Rebecca Cave, Member	Present
Robert Cardinal, Member	Present
Kathleen Juenemann, Member	Present
Marvin Koppen, Member	Present

C. APPROVAL OF AGENDA

Member Juenemann moved to approve the Agenda as submitted.

Seconded by Member Koppen Ayes – All

The motion passed

D. APPROVAL OF MINUTES

1. Approval of October 8, 2012 Economic Development Authority Meeting Minutes

Member Koppen moved to approve the October 8, 2012 Economic Development Authority Meeting Minutes as submitted.

Ayes	–Chair Rossbach, Members
Cardinal, Juenemann and Koppen	
Abstain	–Member Cave

The motion passed.

E. PUBLIC HEARING

**1. Public Hearing on 2013 Tax Levy
a. Resolution Certifying Taxes Payable in 2013**

Finance Manager Bauman gave the staff report and answered questions of the Economic Development Authority.

Vice Chair Rossbach opened the public hearing. The following people spoke:

1. Diana Longrie
2. Mark Bradley

Vice Chair Rossbach closed the public hearing.

Vice Chair Rossbach moved to approve the Resolution Certifying Taxes Payable in 2013.

RESOLUTION 12-12-831
CERTIFYING TAXES PAYABLE IN 2013

BE IT RESOLVED BY THE MAPLEWOOD AREA ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF MAPLEWOOD, MINNESOTA that:

1. The following amounts of taxes be levied for 2012, payable in 2013, upon the net tax capacity in said City of Maplewood, for the following purposes:

EDA	\$89,270
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2. The 2013 Budget for the Maplewood Area Economic Development Authority is included in the City Budget document and will be adopted along with all the other funds of the City. A summary of the budget is as follows:

Revenues	\$92,400
Expenditures	65,500
Net change in fund balance	26,900

Seconded by Member Koppen

Ayes – Vice Chair Rossbach,
Members Juenemann and
Koppen
Nays – Members Cardinal and
Cave

The motion passed.

F. ADJOURNMENT

EDA Vice Chair Rossbach adjourned the meeting at 9:30 p.m.

AGENDA REPORT

TO: James Antonen, City Manager
FROM: Charles Ahl, Assistant City Manager
SUBJECT: Election of Officers
DATE: January 22, 2013

INTRODUCTION

NOTE: It would be appropriate for current Vice Chair Rossbach to call the meeting to order and chair the meeting through the election process.

The Economic Development Authority was created by the City Council in 2010 to prioritize and operate according to statute in the development and redevelopment of properties within the City of Maplewood.

It is appropriate that the EDA elect officers to conduct business and provide leadership to the Economic Development Authority as well as to coordinate with the Housing and Economic Development Commission [HEDC]. A history of the officers for the EDA is:

June 14, 2010:

John Nephew – Chair; James Llanas – Vice Chair

July 9, 2012:

James Llanas – Chair; Will Rossbach – Vice Chair

On January 14, 2013, the City Council appointed Bob Cardinal as the Liaison to the Housing and Economic Development Commission.

An election of officers to the EDA, as well as re-appointment of the City Manager as Executive Director, is recommended.

Recommended Action

It is recommended that the EDA members accept nominations and conduct elections for the position of Chair and Vice Chair for the Maplewood Economic Development Authority and should consider re-appointing the City Manager as EDA Executive Director.

AGENDA REPORT

TO: James Antonen, City Manager
FROM: Charles Ahl, Assistant City Manager
SUBJECT: **Approval of Resolution Authorizing a Legislative Request for a Tax Increment Financing District for a Research and Development Lab Facility on the 3M Campus**
DATE: January 22, 2013

INTRODUCTION/BACKGROUND

The Economic Development Authority is charged with the responsibility for the Economic Development of properties within the City of Maplewood. The 3M Company is proposing to construct a 400,000-square foot Research and Development Laboratory on their campus in Maplewood. The estimated cost for the R&D Facility provided by 3M could exceed \$150 million over the next 2 years. The proposed facility is expected to house over 700 employees. It has been testified by 3M Officials that those 700 employees, plus support personnel, will remain on the Maplewood campus, rather than be re-located to others states or elsewhere in the 3M international properties. This job retention, plus the potential for continued upgrades and expansion on the Maplewood campus are the basis for considering tax increment financing support for this project.

3M has requested Tax Increment Financing for the purpose of reinvestment in their campus and retention of these research positions in Maplewood/Minnesota. In addition, with this investment, 3M is considering future upgrades to other facilities on their campus. Current legislation is not adequate to provide appropriate tax increment support for 3M to consider moving forward with the facility. In addition, approval of the tax increment plan is proposing to use a portion of the increased taxes from the new R&D Facility to support the bond payments for a new Maplewood Fire Station to be constructed on the property immediately to the north of this new R&D Laboratory.

The 3M position is that they need to upgrade their facilities to retain and attract the scientists and technical employees that will serve the company for the next 15-20 years. They have indicated that many of their current staff are nearing retirement and as they compete for the "brightest and best", they want their Maplewood campus to reflect an attractive and state of the art facility and campus. The TIF will help make that a possibility.

The legislation is required for a number of areas. First and foremost, the current law allows for only 9 years for an Economic Development TIF District. This legislation would allow, but not require, the Council to establish a district term that would go for 25 years. Also, current statute does not allow for the City to use TIF revenues for fire station construction. This new bill would allow, but again not require, the City to use a portion of the taxes for that purpose. A few other technical modifications to current TIF statutes, such as the ability to create multiple districts are being authorized and would be part of a future TIF District plan that would be approved by the EDA and City Council at a public hearing to be held later this spring.

Recommended Action

It is recommended that the EDA members adopt the attached resolution indicating support for the proposed legislation authorizing revisions to TIF Statutes for the 3M Research and Development Laboratory Facility.

Attachments:

1. Resolution
2. Proposed Legislation

RESOLUTION NO. ____

RESOLUTION SUPPORTING SPECIAL LEGISLATION
IN CONNECTION WITH ONE OR MORE
PROPOSED TAX INCREMENT FINANCING DISTRICTS

BE IT RESOLVED by the City Council (the "Council") of the City of Maplewood, Minnesota (the "City"), acting in their authority as the Economic Development Authority (the "EDA"), as follows:

(i) Findings.

(a) It is proposed that 3M construct a new research and development facility in the City and undertake certain renovation and renewal of its facilities (the "Project") located within the 3M campus in the City (the "Project Area").

(b) It is proposed that the City will construct a fire station and a city emergency operating center that will provide fire protection and emergency medical services (the "Emergency Facilities") in the Project Area.

(c) Existing tax increment financing statutes are inadequate to provide for tax increment financing for the Project and the Emergency Facilities.

(d) The City, acting through the EDA, and 3M desire to propose special legislation to be adopted by the Minnesota Legislature that will provide tax increment financing assistance to the Project and the Emergency Facilities under the current tax increment financing laws. The proposed special legislation has been presented to the City Council.

(e) 3M is important to the City and to the State of Minnesota as a major employer and one of the largest taxpayers in the State and the City.

(f) 3M's new research and development facility is part of a global strategy of investing in innovation, which also includes a commitment to increase research and development investment to six percent of sales by 2017.

(g) The 3M research and development facility will assist in maintaining the core of 3M's research and development in the City.

(h) With a large percentage of 3M's worldwide workforce likely to retire in the upcoming years, the renovation of the office space at the headquarters is a necessary step to remain competitive in today's workforce and attract highly trained individuals.

(i) The City desires to support 3M in the construction of the Project.

(ii) Support Special Legislation. The City and the EDA hereby support the proposed special legislation that will allow special rules under the tax increment financing statutes for the Project and the Emergency Facilities.

(iii) Effective Date. This resolution is effective upon the date of its approval.

Adopted this _____ day of _____, 2013.

Mayor

EDA Chair

ATTEST:

City Manager

A bill for an act
relating to the city of Maplewood; authorizing a tax increment financing district.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. CITY OF MAPLEWOOD; TAX INCREMENT FINANCING DISTRICT;
SPECIAL RULES.

(a) If the city elects upon the adoption of a tax increment financing plan for a district, the rules under this section apply to one or more redevelopment tax increment financing districts established by the city of Maplewood or the economic development authority of the city. The area within which the redevelopment tax increment districts may be created is parcel 362922240002 (the "Parcel") or any replatted parcels constituting a part of the Parcel and the adjacent right of ways and shall be referred to as the 3M Renovation and Retention Project Area or Project Area.

(b) The requirements for qualifying redevelopment tax increment districts under Minnesota Statutes, section 469.174, subdivision 10, do not apply to the Parcel which is deemed eligible for inclusion in a redevelopment tax increment district.

(c) The 90% rule under Minnesota Statutes, section 469.176, subdivision 4j does not apply to the Parcel.

(d) The expenditures outside district rule under Minnesota Statutes, section 469.1763, subdivision 2, the five-year rule under Minnesota Statutes, section 469.1763, subdivision 3 and the use of revenues for decertification in Minnesota Statutes, section 469.1763, subdivision 4 do not apply to the Parcel; however expenditures shall only be made within the Project Area.

(e) If, after one year from the date of certification of the original net tax capacity of the tax increment district no demolition, rehabilitation, or renovation of property has been

commenced on a parcel located within the tax increment district, no additional tax increment may be taken from that parcel, and the original net tax capacity of the parcel shall be excluded from the original net tax capacity of the tax increment district. If 3M subsequently commences demolition, rehabilitation, or renovation the authority shall certify to the county auditor that the activity has commenced, and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment district. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district.

(f) The provisions of Minnesota Statutes, section 469.176, subdivision 4g(b) do not apply to a municipal fire station facility to be constructed within the Project Area which facility will be a city emergency operating center and will provide fire protection and emergency medical services for the Project Area.

(g) The provisions of Minnesota Statutes, section 469.177, subdivision 1b do not apply to the first 412,000 square feet of new building.

(h) The authority to approve a tax increment financing plan and to establish a tax increment financing district under this section expires on December 31, 2018.

EFFECTIVE DATE. This section is effective upon approval by the governing body of the city of Maplewood and upon compliance by the city with Minnesota Statutes, section 645.021, subdivision 3.