

Option 2

The State Legislature amended the TIF law (the “Law”) in 2021 to provide flexibility to cities to utilize unobligated TIF balances in their districts to promote construction and job creation in their communities. The law allows cities to provide improvements, loans, interest rate subsidies, or assistance in any form to **private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities if it will create or retain jobs in this state, including construction jobs.** The City has until December 31, 2022 to transfer the funds to another designated City fund, and the dollars must be expended by December 31, 2025. Any unused TIF dollars must be returned to the district after this date and be expended in accordance with Option 1 above.

In order to implement this provision of the Law, the City is required to develop a Spending Plan (the “Plan”) that identifies the TIF districts that will fund the projects and describe the projects to be assisted (Ehlers can assist with this). In addition, the City is required to hold a public hearing on the Plan and if approved, provide a copy to the Office of the State Auditor as required by the Law.

Please contact me at 651-697-8506 with any questions.

