Fiscal disparities pool grows 10%, after 2-year decline

After two years of decline, the “fiscal disparities” pool grew by a healthy 10.2 percent this year. The pool is comprised of commercial-industrial (C-I) tax base shared through the Twin Cities area tax-base sharing program—widely known as “fiscal disparities.” This regionwide pool is $278,430,704, compared with last year’s pool of $252.5 million. The larger pool means more tax base will be redistributed this year among metro-area communities.

The Citizens League’s 26th annual tax-base sharing analysis shows that the program currently redistributes 28.4 percent of the area’s C-I tax base among metro-area communities. Every community puts 40 percent of its growth in C-I tax base since 1971 into a regionwide pool. Every community (except Dakota County’s Sunfish Lake, which is ineligible, since it does not allow C-I development) then receives back tax base from the regionwide pool, based on its relative shares of population and tax base. (For more details see “How fiscal disparities works” on page 5.) The shared tax base is then subject to taxation by the municipality, school district, county and any special districts to which it is distributed.

It’s important to understand that the tax-base figures discussed in this article are only a small percentage of the market value of commercial-industrial (C-I) property. While the market value of C-I property in the seven-county metro area amounts to $29.8 billion in tax year 2000, the C-I tax base—the portion of C-I value available to be taxed—amounts to $980.1 million. (For further explanation see “Why did the fiscal disparities pool grow?” on page 6.)

The tax-base sharing program, which has generated interest from around the country, has been controversial from the start. Created by the 1971 Legislature, court challenges held up its implementation until 1975. Since then, there have been a number of legislative attempts to weaken the program or to expand it to include residential property.

Now in its third year, the Iron Range tax-base sharing program—modeled after its Twin Cities cousin—provides for sharing 40 percent of C-I tax-base growth since 1995. The area covered by the program is the Iron Range taconite tax-relief area, which

Continued on page 5

Fund three MnSCU ‘Best in Class’ printing centers

by Renee McGivern and Kel Johnson

The Citizens League has helped the state focus on the need for better approaches to the crisis in workforce development. There are not enough highly-skilled workers to fill available positions. The Minnesota State Colleges and Universities (MnSCU) system has failed to meet the need for well-prepared graduates, as well as for ongoing training for incumbent workers. There is a disconnect between what students are learning (and want to learn) and actual jobs. Therefore, many businesses cannot grow and the state’s long-term economic health is in jeopardy.

One innovative solution to the workforce needs of the printing and publishing industry is on the MnSCU table. The recommendations in the report, “Best in Class: Partners in Excellence,” focus on funding three regional printing and publishing centers of excellence in MnSCU schools. These centers will require a major investment in Continued on page 3

Mondale finds reaching regional consensus difficult

Part one of two.

Editor’s note: Citizens League Executive Director Lyle Wray and Research Associate Kris Lyndon Wilson recently interviewed Metropolitan Council Chair Ted Mondale on a variety of issues. Following is part one of an edited transcript of the interview. The second part will appear in the February issue of the Minnesota Journal.

Minnesota Journal: Have there been any surprises in your first year as Chair of the Metropolitan Council?

Ted Mondale: The first surprise is that this is not a part-time job. The amount of time and work it takes to try to get consensus in the region shouldn’t have been a surprise—but it is. It seems like we, as a region, are organized to protect what we have or to fight each other. Any sort of idea or utterance off the cuff or a different way of looking at things can incite a network of “the sky is falling” calls. Continued on page 2
focused ahead. on the booming spots as we shake things out in the for a few years now.

one of the League's main focuses of the century is a good time to remember twenty-something aires, many Minnesotans are being barely graduating one in two of secondary education or training.

Inequality is growing between our million- Here is where enlightened interest rather than just "doing export and higher technology behind in the new economy. For many businesses and migrants from nontradi-

workforce can provide a win-win those communities and states that are the first across the line in addressing this challenge will have an advantage in the era of big government. To insist on major progress in getting the necessary workforce.

It is a win-in to a workforce.

The problem for the current Minnesota MnSCU. Our partnership, made up of different players in education, was is controversial.

In cities that have light rail, good round-up of opinions from state

The Minnesota Journal (ISSN 0141-9448) is a non-profit publication of the Greater Minneapolis Printing and Publishing Industry. The journal is a window on proposals to become

The report was prepared by the Minnesota MnSCU was designed to project an image of advanced technical education expose them to the level currently offered at the advanced technical education standards. Current MnSCU print-

In cities that have light rail, good

Another view: Let’s support light rail

I am sorry to see the continued Martin any appearance, which appears to be selected for their projected light rail, to any form of transit except buses.

We offered a Print ID information session last year, eighth of the nine technical schools with printing programs attended. Five of them are currently seeking that accreditation. As long as the three others will do so soon.

One of the committee’s greatest concerns was that printing programs throughout MnSCU were not standardized and often, irrelevant.

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We were still very much a combination of the three major political planning agencies. One of the things that we’re trying to do is blend those across the silos so

There are many challenges to mak- ing sure there will be some open door in the new economy. For one, the old ways of solving prob-

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management team had here a Herculean task to putting those two together. It is now structurally put together as one unit and functions financially as one unit. It is still not totally one unit and what the Council is saying is that we’re going to be one unit. So I think the next phase is, How do we blend the planning functions together?

Looking back, you could ask, ‘Was it successful to bring two large operating entities under a body that has to report to the chief executive and has some political oversight?’ I’d have to say it is a tremendous success. We’re going to save the region $242 million dollars on wastewater treatment. That $242 million is going back into the economy—it’s a less money being charged from here. That would not have been done if it was under the control of an independent board.

The two major operating units of this organization are fundamentally reforming themselves from top to bottom. And they’re doing so as well as any Fortune 100 company in the nation. Metro Transit is redoing 30% of their product line from bottom up. The regional is getting a lot more service, at a lot lower cost and that’s a good thing.

We’re going to do things like redo our traffic systems so they’re modern and offer choices. We’re going to highly upgrade our GIS and do the whole vision piece. That’s going to be a signature piece that this Council leaves. In the future, after this Council has gone, communities are going to be able to see the choices they have. They’re going to be able to make better choices. Our belief is that if you have good options and good information, they’re going to make better decisions. They don’t really need a planner to tell them what that is. But they’ve got the tools.

If you have a traffic model that says the only thing you can do is build a wide road, guess what you’re going to get?

The tools we need to do this are:
- Coordination and interagency relations.
- Project management and operations.
- Technical analysis.
- Financial analysis.

We’re going to put out based on communities following a pattern. Basically, what I’ve seen, having been in office during the early 1990s, and being back now, is that the region doesn’t need us to produce a bunch of documents. We need to take the next step and make the blueprint real.

I do think there’s a growing understanding that our development model in the Twin Cities metropolitan area is broken. It doesn’t take a lot of deep thought to figure out that the model we’ve had in place, basically since World War II, no longer works for this society and where we’re headed. We’ve got to get that changed, and what we have to do is investment, buy-in, collaboration, and citizen input.

Now, we’re actually getting proposals that are linking compact, mixed-use development with transportation and affordable housing. The first couple of years of the Livable Communities Act, we accomplished it. Now they get it. They’re figuring out how to be successful. This deal in Burnsville—Heart of the City—five years ago if you went down to Burnsville and we said we’re going to do this, they’d have run us out of town. Now they’re up here cheering and it’s our signature model.

The quality of K-12 education is arguably one of the greatest drivers of outward growth. Is there a role for the Council in the issue of urban education?

The core cities’ public education systems have not improved— and I think they are improving—and it’s going to take time. We know there is an improving perception, and I think reality, that the Minneapolis schools are getting better.

You can’t meet the economic growth models that we would like to see with the performance of kids coming out of public schools. We don’t win in the new economy if we get our kids to succeed.

We’re going to do things like redo corridor work, where, for the first time, we went into Wisconsin. As it turned out, that was highly successful. Now, seeing the success of that, we’re going to try to replicate it.

I think there are two big issues here. Number one, all of those counties are going to need wastewater treatment pretty soon. What happens there? I don’t know, but I have a sense that they’re being nice to us because they know the day of reckoning is coming.

Secondly, we feel that we really need to get transit off the property tax so that we can deliver transit service to areas that are more mobile. For example, Lakeville is the fastest-growing city in the metro area and will be for the next 10 years, yet we can’t provide them with transit service. So we say, ‘What do you think of the traffic model that says the only thing you can do is build a wide road, guess what you’re going to get?’

What tools does the Council here and what tools would it need to address growth outside the metro area?

The Council prioritizes the public interest in Minnesota by seeking citizens in identifying and framing critical policy public choices, laying recommendations, and educating them. The Council is an open membership organization. Suggested dues for membership are $50 for individuals and $75 for families. Please call 612-338-0791 for more information about membership.
After a two year hiatus, the Citizens League Network meeting are back—beginning March 16. These quarterly after-work pro-
grams are designed to provide an informal venue for Citizen League members to socialize and hear from top public leaders in the Twin Cities community. Our special guest for the March 16 event will be University of Minnesota President Mark Yudof.
Join us at the Humphrey Institute of Public Affairs on the University's West Bank from 4:30 - 6:00 p.m. Watch your mail for details or call the League office at (612)338-0791 to reserve a spot. There is no charge for this event.

Other policy events of note

Unicameral Legislature Debate
The Citizens League is joining with Minnesota Public Radio (MPR), the Pioneer Press and the League of Women Voters to sponsor the Unicameral Legislature Debate on Wednesday, February 16, 2000. The debate will feature Governor Jesse Ventura and several other panelists debating the issue of unicameralism and will be broadcast live on MPR. League members and the public are invited to attend the debate which will be held from 7:00 to 8:30 p.m. at the North American History Theater, 30 E. 10th St., St. Paul.

50 Years: The Mondale Lectures on Public Service. Former Vice-President and native Minnesota Walter Mondale will begin a series of programs reflecting back on his 50 years of public service at an event scheduled for Friday, February 11 at the Humphrey Institute of Public Affairs. The inaugural program is titled: “Atlantic City Revisited: Mississippi’s Freedom Democrats and the Integration of the Democratic Party," and will include a presentation by Mondale as well as a panel discussion with six distinguished civil rights leaders. The event will run from 7:30 a.m. to 12:15 p.m. Cost is $25. Reservations can be made by calling (612)425-5309.

CITIZENS IN ACTION

Citizens League members are invited to attend the 2000 Citizens in Action conference, sponsored by the League of Women Voters of Minnesota Education Fund, on Saturday, February 25, at the State Capitol. The conference will feature opening remarks by Senator Ember Reichgott Junge and Rep. Dennis Ozment. Participants can attend either a two-hour beginner’s workshop or any two individual one-hour sessions on: grassroots organizing, computer lobbying, influencing state and federal legislators, building coalitions, and the rules and regulations of lobbying. For more information call 612-224-5445 or visit www.citizensleague.net.

AARP signs up a new member
January 25, 2000, the date of this issue, also marks the 70th anniversary of Executive Director Lyfe Wrey's 75th birthday. Happy birthday, Lyfe!

Disparities
Continued from page 1

The shared tax base now accounts for 28.4 percent of the metro area’s C-1 tax base. (The shared tax base is the tax paid on the shared property by the two counties.) The shared tax base, up from 27.5 percent last year, but still lower than the 28.6 percent of 1994. The shared pool accounts for 11.4 percent of the region’s total tax base, up from last year’s 11.1 percent.

This year the Legislature funded a special $13 million Fiscal Dispari-

ties Homestead Agricultural Credit Aid to help replace the fiscal dis-
parities tax base that has declined because of the lowering of C-1 class rates passed in 1998.

Net gainers, losers
In the metro area, 187 communities are eligible to participate in the shared tax base program. That includes Fort Snelling, even though it has no tax levy of its own, and includes Sunnyside Lake, which is ineligible to participate, finance it excludes C-1 properties. Three-quarters (141) of these com-
munities are net gainers under the

The shared tax base now accounts for 28.4 percent of the metro area’s C-1 tax base.

“The shared tax base now accounts for 28.4 percent of the metro area’s C-1 tax base.”

How fiscal disparities works

The 1971 fiscal disparities act—
officially known as the Charles R. Volker Act—created four differences in tax base among Twin Cities area communi-
ties. It allows all communities in the seven-county metro area to share part of any commercial-industrial (C-1) tax-base growth ywhere in the region. The idea grew out of a 1968 Citizens League committee studying tax disparities.

Here’s how the program works:

• Communities contribute 40 percent of their C-1 tax base growth since 1971 to a regional pool. Communities included from this base is the air-
port, property within tax-increment finance districts established before Aug. 1, 1979, and property in the city of Sunnyside Lake, which is ineligible to participate (because it also excludes C-1 development).

• Each community then receives back a portion of the pool based on

Taxes paid by the shared pool have declined only three times in the history of the tax-base sharing pro-

Minneapolis’s large C-1 tax base ($177.2 million) is more than twice as large as Bloomington’s, its closest

continents, and 2.6 times as large as third-place St. Paul. Because of its large C-1 base, Min-
neapolis made the largest contribu-
tion of any community to the shared pool—$42.1 million, or 15.1 percent of the total shared pool. While it also received the largest amount of tax base from the pool—$42.6 million, or 15.3 percent—it lost any was only $579,118, a gain of two tenths of one percent in its total tax base.

St. Paul made the fifth largest con-
tribution to the shared pool, at $13.2 million, or 4.8 percent of the pool. (Bloomington made the sec-
ond largest contribution, at $27.5 million; Plymouth the third largest contribution, at $14.2 million; and Eden Park the fourth largest con-
tribution, at $13.3 million.) But St. Paul received the second largest

Continued on page 6

Taxes generated by the

area’s largest tax base

shared tax base is based

than they receive.

on the shared property by

But St. Paul made a net loss

$14.2 million, or

its relative shares of population

40 percent of the total pool.

Two-thirds of its C-1 tax base growth

tax base is based on

60 percent of the tax base.

Taxes paid by the shared pool have declined

The shared tax base is adjusted for any changes in class rates in effect for tax year 2000.

• Taxes generated by the property-
tax pool are collected through an areawide tax paid on the shared portion of each C-1 property. The funds are then distributed to cities, counties, school districts and spe-
cial orders according to the amount of shared tax base each unit was assigned.
Why did the fiscal disparities pool grow?

In order to understand why the fiscal disparities pool grew, it's crucial to examine the difference between tax base and market value and to understand a few key terms in the fiscal disparity values.

The tax-base figures discussed in the accompanying article are only a small portion of the market value of commercial-industrial (C-I) property. While the market value of C-I property in the seven county area amounts to $29,819 million in 2000, the C-I tax base—portion of C-I value available to be taxed—amounts to $801.1 million. Why?

Because Minnesota taxes different types of property at different rates, only a portion of a property’s market value becomes part of the tax base (officially known as tax capacity). The proportions for different types of properties, known as class rates, are set by the Legislature. In the last three years the Legislature has lowered the class rates, beginning in 1998, for determining the tax capacity of C-I and other types of property.

The changes in the C-I rates and their effect on C-I tax base are outlined in the accompanying example.

The $1 million commercial property example in the article added $44,400 in commercial C-I tax in 1997, $38,090 in 1998, $33,425 in 1999 and $32,500 this year, due to the lower class rates.

But in examining the growth of the shared pool, it’s important to remember that there is a one-year lag in the tax base and classes used to compute fiscal disparities.

Thus, this year’s shared pool is determined by the size of tax year 1999 C-I tax base. And the metro area’s shared tax base over a three-year period needed to make this year’s shared tax pool consistent with 2000 tax base values. Thus, the shared pool grew to be able to grow by 10 percent this year to $278.4 million.

The answer sounds as quirky as the methods used to figure fiscal disparities. In order to make the lagged year’s shared tax base values consistent with those used in the current year, the pool’s tax base is adjusted to account for any reduction in class rates in the current tax year. So the shared tax pool in 1999—made up of tax from tax base year 1998—was already adjusted last year to account for the rather large decline in class rate from 4 percent, to 2.7 percent, to 1.5 percent for tax year 1999.

Disparities

Continued from page 5

Five losers in 1999, although, almost matched Minnesota traded places this year.

These five cities are also at the top five net losers on a per capita basis: Bloomington, $241; Minnetonka, $179; Plymouth, $151; and Eden Prairie, $139.

Among the net-gainer cities over 9,000 population, sharing resulted in C-I tax-base increases ranging from three-tenths of one percent in Red Wing to 144.3 percent in East Bethel. Fourteen cities saw their C-I tax bases increase by more than 50 percent due to sharing.

Among the net-loser cities over 9,000 population, sharing resulted in C-I tax-base declines ranging from 2.3 percent in Rosemount to 26.3 percent in Eden Prairie. Six cities saw their C-I tax bases decline by more than 20 percent due to sharing.

On a countywide basis, Hennepin County made the only county with a net loss of tax base to the sharing program in 2000—with a net loss of $44.6 million. (See table on page 9.) Without tax-base sharing, the range would be $978 per capita in Chisago County to $792 per capita in East Bethel—a ratio of 15 to 1.

Comparing denominations of all sizes in the metro area, the ratio of high to low in C-I tax base per share before sharing is 185 to 1, with Rogers the highest ($1,483) and Carver County’s San Francisco Township the lowest ($36). After sharing the ratio is reduced to 68 to 1, with Spring Park the highest.

Continued on page 8

Lawsuit challenges tax-sharing range on the Range

Controversy over the Iron Range tax-sharing program, now in its third year of operation, has led to a pending lawsuit challenging its constitutionality. Originally filed in September 1996, the suit was scheduled for trial on April 11 in Itasca County District Court in Grand Rapids. The defendants in the case are the State of Minnesota and the county auditors of the seven counties involved in the program. Without sharing the tax base of $63,634, followed by Itasca County ($415,645, or 48.7 percent of the Range program’s total tax base of $853,900 million, sizes in the metro area, the ratio of high to low in C-I tax base per share before sharing is 185 to 1, with Rogers the highest ($1,483) and Carver County’s San Francisco Township the lowest ($36). After sharing the ratio is reduced to 68 to 1, with Spring Park the highest.

Continued on page 8
Disparities

Continued from page 7

(2,386) and Woodland the lowest ($2,386). This difference is nearly 49 to one. After sharing the gap, the high and low cities remain the same, but the ratio is reduced to 2.9 to one.

- Among all metro-area communities, the ratio of high to low total property tax base per capita before sharing ranges from 13.4 to 1, with Woodland the highest and Landfall the lowest.

While tax-base sharing reduces disparities in tax base among communities, it does not greatly reorder their tax-base wealth.

Among the five wealthiest cities in C-I tax-base per capita before sharing—Bloomington, Golden Valley, Maple Grove, Eden Prairie, and Mendota Heights—the ratio of high to low remains in the top five after sharing, but the other two remain in the top eight.

It's important to note that tax-base sharing is only one part—and by no means the most significant part—of a complex state strategy for equalizing revenue-raising capacity among communities. State aid is by far the most important; state-paid local government aid, Homestead and Agricultural Credit Aid and disparity reduction aid also play a part. Tax-base sharing is the only such strategy, though, that relies on communities directly on their property wealth, rather than on redistributing wealth.

Because of the importance of these other strategies, it's difficult to isolate the impact of tax-base sharing on the actual taxes paid by homeowners or business property in any one community. Because state aid equalizes differences in a community's total property tax base for the majority of school taxes, the impact of tax-base sharing on school taxes is small. Since school taxes make up about half of total property taxes, the impact on total taxes in any individual community is moderate. The impact of tax-base sharing on city taxes and county taxes, though, is quite direct. If a city or county is a net gainer in tax base, the city or county tax rate will be lower than without the sharing program. Likewise, if a city or county is a net loser in tax base, the city or county tax rate will be higher without the sharing program.

Dana Schroeder is editor of the Minnesota Journal. Steve Hinze of the Minnesota House of Representatives Research Department prepared the data for this analysis.

1998 TWIN CITIES TAX-BASE SHARING BY COUNTIES

| County | Population* | Total tax base (NTC) | Commercial-
|        |             |                     | Industrial-
|        |             |                     | (C-I) tax base** |
|        |             | Total (NTC)          | Net gain or | Net gain or | % chng. in | % chng. in |
|        |             |                     | of tax base | of tax base | tax base | after sharing |
|        |             |                     | due to sharing*** | due to sharing | after sharing | after sharing |
| Anoka  | 990,671     | $200,045,630        | $65,721,878 | $20,064,640 | $36,687,381 | 704 | 7.9% | 24.1% |
| Carver  | 63,098      | 61,142,298          | 17,130,683 | 4,813,633 | 8,563,116 | 9,783 | 14 | 1.4 | 5.1 |
| Dakota  | 339,206     | 316,902,525         | 110,088,988 | 35,247,773 | 35,689,287 | 414,514 | 1 | 0.1 | 0.4 |
| Hennepin | 1,081,417   | 1,216,000,010       | 567,213,807 | 158,062,155 | 189,247,166 | 60,890,122 | 47 | 4.1 | 11.2 |
| Ramsey  | 498,090     | 371,047,266         | 155,937,692 | 40,261,610 | 65,450,188 | 59,713,288 | 51 | 6.8 | 16.2 |
| Scott   | 77,624      | 85,538,742          | 18,944,877 | 5,679,673 | 7,123,172 | 1,558,499 | 20 | 2.2 | 8.2 |
| Washington | 190,797    | 173,203,347         | 44,262,037 | 13,046,821 | 15,773,087 | 6,762,277 | 35 | 3.9 | 15.2 |
| Total County | $2,544,353  | $2,439,310,088      | $900,094,447 | $278,430,704 | $278,430,704 | $0 | $0 | 0.0% |

* Population figures are Metropolitan Council estimates for 1998.

** NTC is the total net tax capacity—a community's total tax base—for taxes payable in 2000. This figure includes value in tax-increment finance districts.

*** The net gain or loss is the difference between the amount of tax base a community contributes to the sharing pool and the amount it receives back from the pool.

SOURCES: MINNESOTA HOUSE RESEARCH DEPARTMENT, MINNESOTA DEPARTMENT OF REVENUE.
Council may find public housing acceptance difficult

NIMBY-ism: alive and well. The recent announcement that the Metropolitan Council will build up to 300 units of public housing came with the assurance that the units won’t be put in any communities that don’t want them. That could make the process rather difficult, considering the fact that a 1999 poll of residents in 10 metro areas, including the Twin Cities, found that 78 percent of people oppose building multifamily apartments in their neighborhood, 75 percent oppose building single-family homes on smaller lots in their neighborhood and 54 percent oppose building townhouses in their neighborhood.—Kris Lyndon Wilson.

I’m going to...Minnesota? Tourism in Minnesota generates roughly $10 billion in economic activity annually, making it one of the states top industries. According to the most current data from the state Office of Tourism, the industry employs 170,000 throughout the state, who earn wages of $3.7 billion. Tourism in Minnesota easily outperformed the economy as a whole in terms of annual employment growth since 1989 (19 percent vs. 11 percent, respectively).

About one million tourists come from other countries. While Japan and other Asian countries have shown a penchant for the Mall of America, close to 60 percent of all international tourists to Minnesota are our neighbors from Canada. But international tourists as a group are our neighbors from Canada. But international tourists as a group come from other countries. While Japan and other Asian countries have shown a penchant for the Mall of America, close to 60 percent of all international tourists to Minnesota are our neighbors from Canada. But international tourists as a group come from other countries. While Japan and other Asian countries have shown a penchant for the Mall of America, close to 60 percent of all international tourists to Minnesota are our neighbors from Canada. But international tourists as a group come from other countries. 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As states continue to open their energy markets to competition, a handful of entrepreneurs have discovered that energy, like many other goods and services, can be sold cheaply and quickly on the Internet, thanks to lower overhead and transaction costs. Although only a few companies in the energy business are fully on-line today, one research firm has predicted that on-line electricity sales will increase from $1 billion last year to $100 billion by 2004.—Dave Chadwick.

A reporter for The Economist magazine wanted to see how much it’s possible to find out about a person, using computer networks. He paid a private investigator to do that and to report back. He gave the investigator only his name, to start.

It’s almost unbelievable how much that investigator found. And this was in Britain, where the laws to protect privacy are stronger than in the U.S. Don’t miss it: Ask your library for the Dec. 18 issue. If the “Tech” sections of our local newspapers haven’t reprinted it, they should. (Will they, though?)—T.K.

For those looking for new fodder on the TIF-abuse file, here’s a new twist on the oft-used economic development program from Onalaska, Wisc.

It seems the city doesn’t have the $2.3 million necessary to buy needed fire trucks, police equipment and bus shelters, “but has plenty of money in its tax-increment financing district,” the newspaper stated.

The existing TIF district was formed in 1995 with a shelf-life of 27 years to pay off the bonds. The district has performed well and is slated to pay off the TIF bonds by 2003. City officials, however, are looking at extending the life of the TIF an additional year to pay for new city equipment—like a 100-foot aerial ladder fire truck worth $675,000—they say wouldn’t be necessary were it not for the new business development.

Other notable items in the proposal are “community entrance feature” with landscaping ($220,000), two new 4x4 utility vehicles ($54,000), 15 laptop computers for squad cars ($45,000), evidence lab equipment ($15,000) and six digital cameras ($3,000). One obstacle: the city have to get support from the local school district, the county and the area tech college to postpone the transition of TIF revenues to their respective general funds.—R.W.

A forthcoming report from the Social Policy Action Network (SPAN) and the Educational Testing Service argues that the key to moving people off welfare is not to just find them a job and then fill in the economic gaps with transportation, health care and child care assistance. “A better solution for these families,” the report argues, “is making work pay—in the true sense—by using short-term, targeted education and training to help them raise their earnings.” The report will be available on the web at www.span-online.org and www.cts.org.—D.C.

“Take Note” contributors include Minnesota Journal and Citizens League staff members; Janet Dudrow, policy analyst at Dorsey and Whitney; and Ron Wirtz, district news editor for the Federal Reserve Bank’s Fedgazette.

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