



Expanding the Civic Imagination



## Snapping Back

### What makes regions resilient?

by Kathryn A. Foster

In the summer of 1967, more than 60 U.S. urban areas experienced civil disorder and race-based riots marked by physical destruction, criminality, and financial loss. In eight cases—Milwaukee, Rochester, N.Y., Detroit, Pontiac, Cincinnati, Newark, Plainfield, N.J. and Jackson, Miss.—disturbances resulted in widespread chaos and civilian or law enforcement deaths. Riots in a dozen other urban centers that summer, including San Francisco, Nashville, Tucson, Tampa, and Providence, avoided casualties but required National Guard assistance to quell sniping, looting, vandalism, and arson. Within the year, catalyzed in part by the assassination of Martin Luther King, Jr. in April 1968, Washington D.C., Chicago, Baltimore, Kansas City, and Pittsburgh and more than 100 other urban centers would experience the devastating disruption of urban crisis.

Just over 40 years later, in 2009, some riot-torn cities still bear the physical and economic evidence of urban unrest. Others recuperated, some relatively quickly. What accounts for the differences? Why did some places manage challenges with comparative ease while others were laid low for decades? Was it leadership? Geography? Service capacity? Civic culture? Magnitude of disturbance? A little bit of luck?

Similar questions about anticipation, response, and recovery—that is, *resilience*—could be asked of regions facing any challenge. How resilient have Lexington, Norfolk, Long Beach, Philadelphia, Mobile, and

Sacramento been to military base closings in the 1990s? What explains the varied experiences of Galveston, Pensacola, Charleston, New Orleans, Miami, and Biloxi to environmental, economic, and social fallout from Andrew, Ivan, Katrina, and Camille? Whither the relative fortunes of Buffalo, Cleveland, Detroit, Duluth, Pittsburgh, St. Louis, and other former industrial giants suffering massive economic change since the 1950s?

Just over 40 years later in 2009, some riot-torn cities still bear the physical and economic evidence of urban unrest. Others recuperated, some relatively quickly. What accounts for the differences?

With support from the John D. and Catherine T. MacArthur Foundation, a network of academics and policymakers is investigating such questions. The research effort, “Building Resilient Regions,” uses sophisticated models and rich historic case studies to understand the nature of regional resilience, what factors, choices, or policies drive or retard it, and how resilience may matter—or not—for improved regional economic, social, environmental, and political outcomes.

The research remains underway, but we can identify resilience factors and several preliminary findings.

### REGIONAL STARTING POINTS

Psychologists say individual resilience in the face of a crisis derives in part from such personal endowments as physical health, financial circumstances, and emotional strength. Is the same true for regions? In early

continued on page 5

## INSIDE

2

Connections

3

Viewpoint:  
Civic leadership opportunities in a Twitter/Facebook world

4

Take Note:  
Innovation Spotlight

7

Regional Planning:  
Examining our groups and our claims

8

Completing the puzzle: TIF, JOBZ and tax abatement

15

Perspectives:  
Planning at the speed of change

# CONNECTIONS

Building a League of Citizens

## MEMBER SPOTLIGHT

### PAUL TAYLOR

Executive Director of  
MN IT Workforce Collaborative

Citizens League member since 1965

**Citizens League involvement:** Board of Directors (1987-1990), many study groups, currently a member of the Policy Advisory Committee.

#### Why he joined the League:

I learned about the organization from a friend in the Minneapolis Junior Chamber of Commerce. I attended a few meetings, liked the staff and members, appreciated the non-partisan nature of the work, and found that the policy recommendations could "make a difference."

#### How he practices civic engagement in the workplace, at home, in his place of worship, or in the larger community:

I have spent all but a few years of my adult life in the Twin Cities community. It has been my good fortune to participate as a volunteer with many organizations in a variety of capacities. In every instance, being actively engaged has provided me the opportunity to participate in a manner that took advantage of my experience and interests and to know that my input was appreciated.



## IN MEMORIAM

### REMEMBERING CHARLES H. CLAY

Former Citizens League president Charles H. Clay, who died March 1 at age 83, played a central role in the Citizens League's successful proposal in February 1967 for reorganizing the Twin Cities metro area governmental structure.

Clay's trademark characteristics were humility, fairness, integrity, and persistence, all of which came into play during his chairmanship of the Citizens League committee that produced the report "A Metropolitan Council for the Twin Cities Area."

The Minnesota legislature later that year established the Metropolitan Council along lines recommended by the Citizens League.

"We must establish a framework of government at the metropolitan level that can pull area-wide policy powers into a single agency, can allocate available funds among various services according to relative need, and can implement management efficiencies in one administrative structure," the Clay report recommended, in words that bear repeating today.

In establishing the Metropolitan Council, the legislature adopted a centerpiece of the report: that the Metropolitan Council should represent citizens of the region, not governments. Members of the council are selected from districts of approximately equal population, irrespective of city or county boundaries. The Citizens League favored direct election; the legislature provided that members be appointed by the governor.



Would you or someone you know like to be featured in our member spotlight? It's fast, easy, and a great way to connect with other Citizens League members. Contact Editor J. Trout Lowen for more information at [tlowen@citizensleague.org](mailto:tlowen@citizensleague.org)

## New members, recruiters, and volunteers

### New and rejoining members

Emily Lundquist and Aaron Barnes  
Ryan Blodgett  
Harry Boyte  
Sara Brown  
Matt Burdick  
Katie Burns  
Bob Butterbrodt  
Bobbie J. Carroll  
Beth and Ben Cieslik  
David Crosby  
Jane Cunningham  
Lisa Curtin  
Ruth Duran and Nicholas Deffley  
Katie Devlaminck  
Mark Downey

Kenneth Durril  
Ozlem Ersin  
Alicia Fahr  
Paul and Georganne Farseth  
Walter W. Faster  
Andrea Feshbach  
Meredith Fisher  
Michael Forbes  
Warren Formo  
Megan Gardner  
Becky Hampton  
Nicole Hansen  
Richard Hendrickson  
Matthew C. Jennings  
Kelsey Johnson  
Frank and Judy Jossi  
Louis King  
Barbara Kleist  
Ruth and Stan Krueger  
Yvonne Leiser

Elissa and Nathan Lindquist  
Melinda Ludwiczak  
Jody McCardle  
Melissa McLeish  
Kate Mortenson  
Bob Neal  
Andrea Nelson  
Timothy O'Brien  
Kathleen O'Donnell  
Aaron Pearson  
Brian Peterson  
Laurence Reszetar  
Jacquelin Ries  
Virginia and Perry Rutter  
Christine Sanguinet  
Angie Schaffer  
Paul Scott  
Tony Spadafora  
John Steenson

Paul Thissen  
Thomas Tiedemann  
Gene Tsao  
Linda Vinz  
Linh T. Vo  
Rachel Wittrock

### Firms and organizations

Barr Engineering Company  
Benedictine Health System  
City of Moorhead  
City of Woodbury  
Cretin-Derham Hall  
Erasmus Limited  
Foundation for Minneapolis Parks  
Fredrikson & Byron Foundation

Macalester College  
Marilyn Levi-Baumgarten  
Metropolitan Sports Facilities Commission  
Minnesota Business Partnership  
Minnesota Historical Society  
Port Authority of the City of Saint Paul  
Target  
The Humphrey Institute of Public Affairs  
University of Minnesota - University Relations

### Recruiters

Ian Alexander  
Marcia Avner  
Peter Gillette  
Dick Graham

Bonnie Marshall  
Christopher Orr  
Lisa Piskor

### Volunteers

Cal Clark  
Sheila Graham

### Referrals:

Bonnie Marshall  
Christopher Orr

The Comcast Foundation has provided a generous three-year grant to help increase the involvement of young adults in the Citizens League. Our new Action Groups, StudentsSpeakOut.org, and our civic leadership programs have been made possible, in part, with Comcast's support since 2006.





## New tools and new rules

In a Facebook/Twitter world “What am I doing?” asks the wrong question

by Sean Kershaw

**A**t the Citizens League, our mission is to build civic imagination and capacity to govern for the common good. While our mission is timeless, we are striving now to pursue it in a world fueled by ever-expanding competing interests and technological change. So we find ourselves asking, what does civic imagination and capacity look like in a 500-friend-and-follower-Facebook/Twitter world?

I have some suggestions. Given the issues we face today, it's important that we discuss the answers because there hasn't been a time in the past 60 years when we've needed the imagination and capacity of a new type of civic leadership more than we do right now.

### NEW ROLES

We are emerging from an era when our fundamental public and private identity has been defined by the label “consumer.” It's not hard to see where that got us. We desperately need to redefine our public selves and who we should we become in this post-election/post-economic collapse.

The groundswell of public sentiment to “do something” provides us an opportunity to realign our fundamental public identity from consumer to producer. Producing the public good means being a policymaker in the places where we spend our time and where we can influence outcomes. While that once applied only to the bricks and mortar institutions we're connected to for things like work, school, and faith, technologies like Facebook and Twitter have obliterated those boundaries. Our influence and our ability to “do something” now extends well beyond those physical boundaries and across a much wider range of competing interests.

So how can we harness the benefits of these new technologies to expand the civic imagination, to produce and to grow our civic capacity to govern for the common good? To use these tools for maximum public benefit (not just the genuinely voy-

We need to develop the mindset of a public civic leader.

euristic private potential), we need to develop the mindset of a public civic leader and apply the principles and standards that define the role of civic leadership to our use of these tools.

### WHO ARE YOU? WHO AM I?

These technologies can obviously foster private friendships and relationships, but for the purposes of our public work together, the most important question is *not* “What are you doing?” (a popular function on Facebook and Twitter), but “*who are you?*” The public outcome of what I'm doing only makes sense when you know who I am and what motivates me. I'm a parent, a spouse, a manager, a mentor/mentee, a Minnesotan, a Nebraska ...a civic leader. The public purpose of what I'm doing is a reflection of all or part of these identities and motivations. When I'm communicating with a Citizens League member on Facebook, the fact that I'm a parent or that I have conversations with high school friends taking place on the site, doesn't change my public role with the Citizens League or my desire to “get things done.” Much more than e-mail, Facebook and Twitter make it easier to connect our individual lifework to our public work.

It's not, however, about how many Facebook friends I can claim, as if they were commodities to acquire and consume. What is important is the degree to which we use these new tools to build long-term relationships that help us get things done. In a world where the power of a network is exponentially related to the number of its members, these technologies can help us to build long-term relationships and make

new connections with people on a scale that was hard to imagine just a few years ago.

### TOOLS TO DO WHAT?

Already Facebook and Twitter (and soon our own tool, CitiZing!) are helping us achieve the mission and goals of the Citizens League by organizing and connecting our staff and members. They improve our ability to communicate and share information and to contribute to the formation of public policy.

For example, Citizens League members who have not met in person used Facebook to start conversations about policy questions and, as a result, have begun to forge new public relationships. Up to a third of our registrations for events like Policy and a Pint® come through Facebook, which also offers participants a place to continue a conversation started at an event. Our young adult action groups use Twitter to share thoughts and ideas between meetings. Twitter also offers a directness—an unfiltered and personal tone—that makes it harder to be as partisan and one-sided as we might in blogs or email. These technologies can also better connect us to people impacted by an issue we are studying, and help them contribute their ideas and suggestions to frame and solve public policy problems.

### WHAT ARE WE DOING TOGETHER?

The adage “when you are a hammer, everything is a nail” still applies. These new tools offer new opportunities and opportunities for abuse. For the Citizens League members, Facebook and Twitter provide new ways for us to express our “inner civic hammers” to build and produce new civic solutions for our policy challenges. So let's get to work. ●

Sean Kershaw is the Citizens League's Executive Director. He can be reached at [skershaw@citizensleague.org](mailto:skershaw@citizensleague.org), [@seankershaw](https://twitter.com/seankershaw) (Twitter), or on Facebook. You can comment on his blog at [citizensleague.org/blogs/sean/](http://citizensleague.org/blogs/sean/)

# TAKE NOTE

## Innovation Spotlight

### MANAGEMENT BY THE NUMBERS

Frustrated by traditional line-item budgeting, [Joseph A. Curtatone](#), the mayor of Somerville, Mass. has instituted what *Governing* website calls "transformative changes" in city's management by instituting performance-based budgeting that tracks cost and efficiency data for all city services. *Governing* recognized Curtatone's efforts as part of its "Lessons from Our Best" series recognizing America's innovative leaders.



The *SomerStat* program is modeled in part on Baltimore's award-winning *CitiStat* program, *Governing* says, but takes it a step further by integrating real-time data on city spending and data tracking from more than 50 sources. Somerville also implemented a 311 constituent center to track and issue work orders for every resident request for city services.

All this data collection has allowed Somerville to identify spending problem areas and take steps to correct them. The first area to come to light was excessive overtime spending in the police department. Working with police leadership, the city increased the number of officers assigned to each shift so overtime would not be used to cover for an officer who called in sick. The change reduced overtime and improved policing services, the mayor says.

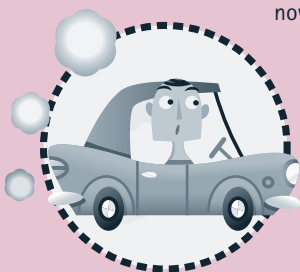
*Governing* recognized St. Paul Mayor Chris Coleman as a leader in innovation last October for *Invest Saint Paul*, a comprehensive housing and community development program that targets public and private investment in four key neighborhoods.

### GOING NOWHERE IS BAD FOR THE ENVIRONMENT

Americans love a drive-through where they can get a meal without ever having to get out of the car. But according to the Sierra Club's answer guy, columnist Bob Schildgen ([Mr. Green](#)), drive-through dining is bad for more than just our waists. Cars idling in the drive-through—and anywhere else for that matter—burn up to 0.7 gallons of gas every hour.

Using the average wait at a McDonald's drive-through (159 seconds) as an example, Green calculates that McDonald's customers burn roughly 7.5 million gallons per year while idling, and that drive-through customers collectively consume some 50 million gallons annually.

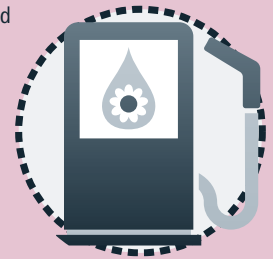
Overall, idling cars burn more than 1.4 billion gallons of fuel in the United States each year, and idling trucks burn 1.5 billion more. Together, they emit some 58 million tons of carbon dioxide while going nowhere.



Much like obesity, America is expanding this bad-for-us practice to other countries. Schildgen notes. KFC installed its first drive-through in China last year and is working on building 100 more. McDonald's is following suit with plans for 25 of its own.

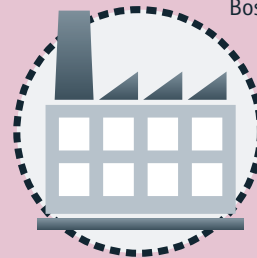
### BAJA TO B.C. THE GREEN WAY

Governors in California, Oregon, and Washington are considering a plan to turn Interstate 5 into the nation's first "green freeway," according to the *Seattle Times*. The three governors have been discussing a plan to put alternative fueling stations at each I-5 rest stop where drivers could fill up on hydrogen, compressed natural gas, biodiesel, or ethanol, or recharge or swap their electric car batteries. If approved, work could begin in Washington as early as this summer. The 1,382-mile stretch of interstate from Mexico to Canada would be the first in the nation to offer drivers continuous access to alternative fuels.



### THE UPSIDE OF THE DOWNTURN, SORT OF

When scientists, environmentalists, and politicians began looking for ways to curb emissions that contribute to global warming, a worldwide economic downturn probably didn't make their top 10 lists. But that may be one of the few positive impacts of the down economy, according to a report by the *Boston Globe*.



Estimates released in mid-March by Point Carbon, a consulting and research firm, show that the recession helped to reduce emissions from Northeastern power plants by 9 percent in 2008, pushing them to their lowest level in nine years.

But even this bit of good news has a downside, according to the *Globe* report. Emissions last year were 17 percent below the cap set by the 10-state Regional Greenhouse Gas Initiative, known by the shorthand "cap and trade," which means businesses have less incentive to invest in or implement long-term strategies to reduce carbon emissions.

### SHINING A LIGHT ON WATER-BORNE PATHOGENS

Can the power of the sun be harnessed to clean drinking water? That's the idea behind New York City's planned water disinfection facility, according to an [article](#) in the *Scientific American* (January 28, 2009). Set to open in 2012 on 153 acres of land in Westchester County, the disinfection facility will consist of 56 40-million-gallon (151-million-liter) UV disinfection units that use ultraviolet (UV) lamps to destroy water-borne pathogens such as *Escherichia coli*, giardia, and cryptosporidium in reservoirs. The facility will be the largest in the world and have the capacity to disinfect up to 2.4 billion gallons of water per day.

New York City officials began working on the project after the EPA tightened restrictions in 2006 on the allowable amount of microbial pathogens in drinking water. For the past decade, the EPA has also urged New York and other communities to reduce the use of chlorine, which produces harmful by-products, including cancer-causing agents. The UV light alters the DNA of the bacteria in the water, making it unable to reproduce.



# Resilience

continued from page 1

2007, then-Homeland Security Secretary Michael Chertoff announced that only six of 75 U.S. metropolitan regions assessed and only four major metropolitan areas (San Diego, Washington, D.C., Columbus, Ohio, and Minneapolis-St. Paul) achieved the highest marks for strategic, technological, and operational readiness in the event of a region-wide disaster. Are these regions especially savvy about disaster management or might they have favorable geographic, technological, or financial foundations that make good scores more possible?

## ECONOMIC STRUCTURE

Financial advisors counsel that a diversified rather than specialized portfolio is the best bet for weathering market uncertainty. If this logic holds for regions, then we'd expect places with relatively diversified economies—think New York, Chicago, and Seattle—to be more resilient to economic challenges than economically specialized places such as San Antonio, Battle Creek, or Silicon Valley. The seasonal ebbs and flows of college towns or tourist-based economies reinforce the point. Economic diversification won't, of course, protect regions from social or environmental challenges, just as portfolio diversification is no safeguard against a costly personal illness or accident. Still, as Richard Florida argues in "How the Crash Will Reshape America" (*The Atlantic*, March 2009), and as our preliminary research on growing and declining regions indicates, a broad economy can mitigate economic challenges and provide a comparatively strong foundation for recovery.

## GOVERNMENT STRUCTURE

Debate persists over whether "many" or "few" are best for local governments in metro regions. On the one hand, as Jack Fuller

pointed out in his *Chicago Tribune* essay, "Disaster Won't Obey City Limits" (Jan. 11, 2007), the difficulty aligning interests—even communicating—across a region's independent municipalities hampers coordinated response to challenges as gradual as urban sprawl or as sudden as a terrorist attack. On the other hand, having multiple municipalities may enhance regional resilience, just as decentralized networks offer Internet security or a deep bench provides back up in case of player injuries. Yet local government

numbers may be a red herring. Perhaps resilience depends more on the effectiveness of relations between governments than on government tallies themselves. The question then becomes how actions and inter-relations of, say, the city of Chicago, surrounding towns and townships, Cook County and the collar counties, the state of Illinois, the Chicago Metropolitan Agency for Planning, the Regional Transportation Authority,

Chicago Housing Authority, and other public entities of Chicagoland matter for building regional resilience.

## STATE POLICY

How, too, might state policy choices in housing, transportation, land use, taxes, immigration, poverty, education, environment, and other policy realms shape regional resilience? The U.S. federal system offers a candy store of cross-state comparisons to mine. Widely different state approaches to foreclosures—strong lender regulations and judicial review in Ohio, for example, versus non-judicial review and weak financial system regulations in Missouri—are variably shaping community foreclosure prevention and mitigation in these places. Holding other things equal, if Ohio

continued on page 6

## REGIONALISM—GOOD OR BAD?

We asked opinion leaders in a variety of fields and sectors to respond to one of the following questions about regionalism.

- How do you define regionalism?
- How does your sense of "region" play a role in your work or in other parts of your life?
- Is regionalism a benefit or detriment to developing good public policy?
- Is regionalism obsolete?

Some of their responses are printed in this issue. You can join in the discussion by sharing your thoughts on regionalism at [www.citizensleague.org](http://www.citizensleague.org).

## Regional living

This question caused me to take out a metro map and a sharpie marker. After a little scribbling I realized my kid regularly uses facilities within two school districts. My wife and I commute to jobs in different cities—neither of which we live in—after driving through a handful of suburbs on a mix of state, county, and city roads. We use regional parks and bike trails in four counties each summer. Once we add in shopping, theater, and Twins games it becomes clear... that my map is a marker covered mess. We don't live, work, and play in a single zip code, area code, watershed district, or any other organizing scheme below the regional level.

—Steve Woods, Assistant Director  
Minnesota Board of Water and Soil Resources

# Resilience

continued from page 5

proves more resilient to the challenge of foreclosures than does Missouri, we may have insights on the links between state policy choices and resilience. Different state-level legal and programmatic environments for immigrant incorporation—Illinois statutes promote immigrant accommodation while Arizona state law does not, for example—offer a similar test of state policy effects.

## POLITICAL MODE

Government is simply one slice of governance, of course. A region's political DNA—the hard-to-measure-but-you-know-it-when-you-see-it wiring of attitudes, practices, and institutions molding power and relations between citizens, business, labor, government, civic, and other anchor groups—also shapes regional resilience. Perhaps one or another political mode—the collaborative regional entity-centered approach of Portland, the local government-centered approach of Philadelphia, or the relatively laissez-faire, corporate-centered approach of Houston, for instance—trumps others in building regional resilience. Our current research suggests instead that there is no “right” mode, but rather, multiple pathways to resilience, each appropriate for a region's political culture.

Widely different state approaches to foreclosures—strong lender regulations and judicial review in Ohio, for example, versus non-judicial review and weak financial system regulations in Missouri—are variably shaping community foreclosure prevention and mitigation in these places.

## CIVIC NETWORKS

Thickening the plot, Sean Safford argues in his recent book, *Why the Garden Club Couldn't Save Youngstown: The Transformation of the Rust Belt*, that when it came to addressing persistent regional economic decline, Youngstown Ohio's unitary business and social network—the same people running all the shows—

proved inferior to Allentown Pennsylvania's system of multiple overlapping networks in which different players ran different but connected shows. If this civic factor bears out upon further study, it could imply resilience payoffs to more diverse and less ingrained leadership.

## LEADERSHIP

Finally, leadership likely matters, but how? The Denver metro region's recent experience suggests some leads. In 1997, despite support from a broad coalition of govern-

ment, business, environmental, and transit interests, voters soundly defeated a \$4.7 billion, sales tax-funded “Guide the Ride” proposal for a 120-mile expansion of the region's light-rail system. Seven years later, metro voters approved by a 58 to 42 margin a \$4.9 billion sales tax-financed “FasTracks” program of

continued on page 14

## REGIONALISM—GOOD OR BAD?

### Thinking regionally: A remedy for fragmentation

The tremendous degree of fragmentation in Minnesota's governance system directly relates to the extreme fragmentation we experience in our natural world. Independent, local land use decisions have not served our natural ecosystems well over the decades. Growth pressures have left small, isolated remnants of natural habitats scattered throughout the state, many that lack integrity and no longer function as effectively as do intact natural systems.

Thinking and acting at a landscape or regional scale is an antidote that can help alleviate this extreme fragmentation. Regional perspective and analysis adopted by the DNR's Central Region has resulted in a green infrastructure map for the growth corridor of the state. Green infrastructure, often called “smart conservation,” identifies natural systems that are sensitive to development pressures and in need of conservation or approaches such as low impact development. The application of green infrastructure by the Department of Natural Resources, local governments, and nongovernmental organizations has helped to focus limited resources on those natural habitats in greatest need of conservation for the many benefits they provide, including habitat for nonhuman species, air and water purification, and water retention.

There also seems to be an inherent value to policy development at a regional scale as manifested by the existence of regional governance structures in the U.S. and Europe. Regional governance is not statutorily required in most places, yet it arises and frequently serves common, critical functions: information sharing among communities within the defined “region,” convening and facilitation of multiple parties to deliberate issues of common concern, big picture analysis that adds context to many local perspectives, and the opportunity for strategic systemic planning and project execution that has the potential to generate greater benefits for the common good.

The Metropolitan Council's staged wastewater treatment system is one of the most efficient in the country. Hopefully, green infrastructure will become recognized as an important regional-scaled tool that can help us think about natural habitats as interconnected, dependent systems that span community boundaries and require the same careful planning and policies as our physical infrastructure systems to function effectively.

—Sharon Pfeifer is Community Assistance Manager at the Minnesota Department of Natural Resources



# Our groups, our claims, and a new practice of citizenship

If we better understand our groups and the claims they have, will it improve our public policy processes?

by Bob DeBoer

The Citizens League Regional Policy Workshop, held in September 2008, was an initial effort to move the discussion of regionalism to a workshop format that generated ideas, assessed them, and then moved toward consensus in a single day.

The process was a challenge, but it did provide many interesting moments and ideas. At the end of the day, we asked a simple question to gauge people's level of interest in participating in ongoing work:

- Which ideas (developed that day) would you be willing to continue to work on?

The top vote-getter was called "Our groups and our claims and a new practice of citizenship." This idea generated from the New Model for Resource Use sessions in the workshop and, what follows is how we currently understand it.

## THE FINDING

We have formed various groups in our society that exert claims relative to one another, yet many of these claims are neither explicit nor discussed. They are embedded in systems and financial arrangements that we rarely examine and even less often consider changing. Often these are very big "groups" that don't often think about benefits they receive as "claims" on society. For example, let's look at homeowners and mortgages. Do most homeowners view the home mortgage interest deduction that often significantly reduces their income taxes as a claim they are making on everyone else? Probably not. Yet home mortgage interest deductions total around \$150 billion annually, according to the non-partisan Tax Foundation.

During the workshop, participants came up with a series of questions around this finding of claims and benefits.

- What are our claims on one another?
- What do we "owe" each other?
- Do we identify around the common ground?
- Do we really believe we're "all in it together"?

Participants also noted that our public discourse is full of divisive language that works counter to examining these claims in any way other than by focusing on what one group or another is losing or having taken away.

## THE BENEFIT

The goal of making these claims explicit would be to change the discussion and begin an examination of what we get from and give to one another, rather than just talking about all the things that we feel entitled to receive and don't want to lose. The current budget crisis has created an opportunity to begin this discussion; ideas for big changes in our systems invariably get more attention in times of fiscal crisis. The difficult part is to get these discussions to produce more transparency and new forms of accountability in our arrangements and relationships. The goal of "our groups and our claims" is to create more of a sense of community that overtakes the current *us versus them* dynamic in policy debates.

## CHANGES NEEDED FOR IMPLEMENTATION

New and different language must be developed to frame any future discussions. We must identify areas of consensus that push us further than we have been willing to go in recent history and ask the key question: "What do we agree we want as a community/society?" One goal must be to eliminate unnecessary claims against each other. Examples given during the workshop included things like tax breaks (such as the home interest mortgage deduction referred to earlier) that are unnecessary or unproductive. (There is no clear evidence that the deduction increases home ownership.)



## NEXT STEP

Participants recommended that we begin discussions in five different policy areas and attempt to identify our groups and our claims. Below is a beginning attempt to look at one group and its claims.

**Issue:** Transportation

**Group:** Automobile users

**Claim:** Roadways that flow freely and provide access to as many points as possible with as much parking space as needed to meet demand.

**Claim detail:** Automobile users are a huge group in Minnesota and throughout the nation. In Minnesota we have a number of claims that underlie our current approach to building, maintaining, and paying for our transportation system:

- Ample roadways will be built to provide access to the places that we choose to live and recreate (wherever that may be), and connect us to wherever we choose to work.
- What we pay in gas taxes and license fees will support this function.
- Property taxes and property fees will provide the largest portion of roadway funding. (It is unclear how many people realize that property taxes, assessments, and fees provide a larger portion of roadway funding than gas tax revenue and license fees combined.)
- Automobile users should not have to pay sales taxes on retail purchases of gasoline because they already pay the gas tax. (This is one of the largest tax expenditures in the budget.)

continued on page 14



# The final piece of the puzzle: property tax abatements

The 2008 analysis of tax increment financing (TIF) also looks at the impact of JOBZ and use of tax abatements by local governments

by Bob DeBoer

In 2007, our annual report on tax increment financing (TIF) moved “beyond TIF” and added property tax capacity captured under Job Opportunity Building Zones (JOBZ) to our analysis in order to provide a more complete look at property tax subsidies for economic development in Minnesota. But there was one element of property tax subsidies still left out in that analysis: property tax abatements granted by local governments for economic development.

This year we present the available data on property tax abatements. Abatement is considered an alternative to TIF, where a local government chooses to not collect property taxes from a development. TIF is a tool used by cities and other development authorities to finance certain types of development costs. JOBZ is a stimulus program to promote economic development in Greater Minnesota.

It is important for citizens to know how property tax subsidies are applied in their communities and to know if the projects they support are successful. Increases in amount of property tax subsidies can be attributable to one or both of these factors:

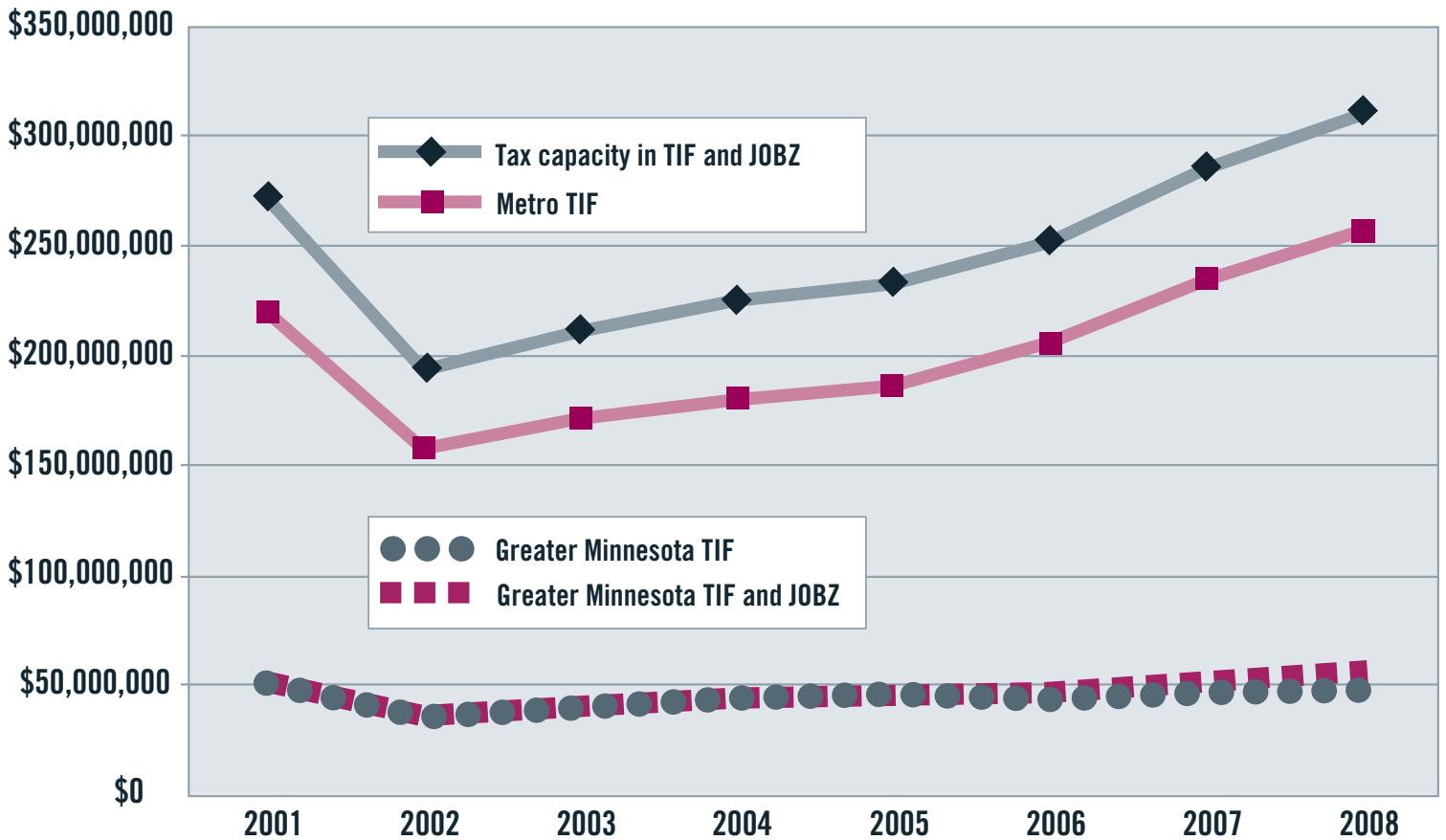
- Increase by the local government in number of developments using subsidies
- Increase in the property value of existing level of subsidy use

The latter case means that the subsidized development has been successful. There will always be an inherent tension when a project is subsidized and successful. This has always been characterized as the “but, for” test included in the state law authorizing TIF, which attempts to answer this question: Would this project happen anyway without the subsidy?

The “but, for” question is now asked and answered at three different levels of government:

- Abatement: a local government authorizes a property tax exemption of its own specific part of the property tax base.
- TIF: a local government (usually a city) authorizes the capture of its own property tax base and the tax base of other local governments to support economic development.
- JOBZ: the state authorizes the property tax exemption along with other tax incentives.

Figure 1: Property Net Tax Capacity Captured in TIF and JOBZ (2001-2008)





We have devised complex tools in Minnesota to foster economic development, but that complexity has made it difficult for citizens to track what the numbers mean and where the money goes. That's one of the reasons we've decided to include all of the property tax subsidy mechanisms in use in Minnesota in our annual review, even as we recognize that TIF's impact remains much larger than the other two combined. (For a more in-depth look at subsidies and their uses, see "A Short Primer on Property Tax Subsidies" on this page.

The Citizens League offers the data and rankings for residents to use as a tool to evaluate their communities relative to other communities, but it is up to the residents to judge what decisions are most appropriate for their community.

## THE BIG PICTURE

Statewide, property tax capacity captured to subsidize economic development through TIF and JOBZ rose significantly from 2007 to 2008 (from \$286 million to \$311 million). TIF, the time-tested tool by which most property tax subsidies for economic development in Minnesota still occur, increased to \$305 million (from \$282 million in 2007). Another \$6 million in property tax subsidy came from JOBZ, up from \$4 million in 2007. (See Figure 1 on page 8.)

On top of these property tax capacity numbers, almost \$10 million more in property tax abatement levies granted by cities, counties, and school districts are spread across the state.

## TAX CAPACITY VS. LEVY

The picture is not perfectly aligned, however, as Table 1 on page 10 shows. TIF and JOBZ are both reported by tax capacity, so we can simply add them together. Tax capacity is the total amount of assessed market value (or tax base) in a local jurisdiction. Local governments apply an annual property tax rate to the tax base to determine how much each property will pay in taxes.

continued on page 10

## A SHORT PRIMER ON PROPERTY TAX SUBSIDIES

### Tax increment financing (TIF)

TIF is a tool used by cities and other development authorities to finance certain types of development costs. Cities or other authorities create TIF districts to subsidize the cost of redeveloping blighted areas, to create economic development and jobs, and to create affordable housing.

Tax increment financing enables a city or town to "capture" the additional property taxes generated by the increased market value of a new development within the TIF district that would have gone to other taxing jurisdictions and use that "tax increment" to pay some of the development costs that the owner, developer, or local government would otherwise have paid.

Examples of TIF-eligible costs include the acquisition of land or buildings, the demolition of substandard buildings, site preparation, the installation of utilities or road improvements, and the construction of low- and moderate-income housing.

The upfront costs of TIF-subsidized development are often financed with the proceeds from general obligation bonds or loans. The debt service on those obligations is paid with the tax increment generated by one or more TIF districts.

Some TIF districts use an alternative to bonds or loans known as pay-as-you-go financing. In this case, the property owner or developer pays the development costs up front and then is reimbursed with the tax increment generated by the TIF district.

### Job Opportunity Business Zones (JOBZ)

Approved by the Legislature in 2003 and launched in 2004, the goal of the JOBZ program is to stimulate economic development activity in rural Minnesota by providing local and state tax exemptions to companies that start up or expand in targeted areas of Greater Minnesota. Under current law, the program expires on December 31, 2015.

JOBZ is only available outside of the seven-county metro area and also includes other tax subsidies in addition to property taxes, so a JOBZ designation is a more significant overall subsidy of which property tax capacity is one part. JOBZ projects also reduce state revenues from sources such as:

- the corporate franchise tax
- income tax for operators or investors, including capital gains tax
- sales taxes on goods and services used in the zone while JOBZ is in effect

The program identifies 10 zones encompassing more than 300 communities in every region of Greater Minnesota.

### Property tax abatements for economic development

The legislature enacted the abatement law in 1997 to provide an alternative to TIF and to supplement it. The law allows abatements to be used for a broad range of projects and purposes if the political subdivision finds that public benefits exceed the costs. Counties, cities, towns, and school districts may grant abatements of taxes they impose. Taxes imposed by special taxing districts (e.g., watersheds or regional agencies) cannot be abated. Similarly, the state general property tax (on commercial/industrial and seasonal-recreational properties) cannot be abated.

The local government has considerable flexibility in setting the terms of the abatement; for example, it may set the abatement as a percentage of tax payable, a dollar amount, the tax attributable to a portion of the parcel's market value, or something else. Abatement and TIF have some similarities, but also differ in important respects, including the following:

- TIF can be used for longer durations (up to 25 years in some cases) than abatements (typically 15 years).
- TIF requires approval only by the municipality (usually the city) to capture all local property taxes, while abatement requires each city/town, county, and school district to approve the capture of its taxes.
- TIF use is subject to many more legal restrictions than abatement. These include a blight test for redevelopment districts, but-for findings, limits on what increments may be spent on, and so forth. Abatement is more flexible.

Source: Minnesota House of Representatives Research Department

# Property Tax Subsidies

continued from page 9

Abatements are not currently reported in terms of tax capacity. Instead this year's analysis includes estimates of the levies, which are the actual dollars raised when property tax rates are applied to the tax capacity. That makes comparing these different types of subsidies difficult.

The numbers for tax capacity and levy are the same only when the local property tax rate is 100 percent (or 100.00 on a [property tax rate sheet](#) like the one created for the 2004 Property Tax Review). But the rates can vary significantly from 100 percent and also vary quite a bit from year to year to meet budget targets.

The data suggests that the property tax subsidies from abatement were of roughly the same magnitude as the amount of property tax subsidy from JOBZ in 2008 (around \$6 million in tax capacity for JOBZ and around \$10 million in tax levy for all abatements), but without analyzing the local rates, we don't know how close these amounts really are.

## DIFFERENCES WITH ABATEMENT

Tax increment financing enables a city or town to "capture" the additional property taxes generated by the increased market value of a new development within the TIF district that would have gone to other taxing jurisdictions and use that "tax increment" to pay some of the development costs that the owner, developer, or local government would otherwise have paid.

Unlike TIF and JOBZ, local governments can only abate the property tax portion that they raise on their local tax rate. So when a city abates property taxes for economic development, it can only abate the city portion (which might be anywhere from 20 to 40 percent of the taxes raised from a property). The same is true when a county abates property taxes for economic development.

School district abatement levies included in Table 1 are based on the home county of the school district, but school districts do not tend to fall within county lines and the data is not segregated by county, so there is a possibility that some school district abatement is listed under the wrong county. City abatement data is segregated

**Table 1: Property Tax Subsidies by County (2008)**

County	Net Tax Capacity	TIF Tax Cap.	% TIF Tax Cap.	JOBZ Tax Cap.	% JOBZ Tax Cap.	TIF and JOBZ Tax Cap.	% TIF & JOBZ Tax Cap.	Prop. Tax Abatement Levies (\$)	Abatement Levy % of Tax Cap.
AITKIN	27,438,680	209,721	0.76%	14,480	0.05%	224,201	0.82%	\$ 17,876	0.07%
ANOKA	358,963,091	21,687,620	6.04%	0	0.00%	21,687,620	6.04%	\$ 108,591	0.03%
BECKER	38,784,058	699,876	1.80%	29,961	0.08%	729,837	1.88%	\$ 26,722	0.07%
BELTRAMI	28,679,714	331,918	1.16%	50,058	0.17%	381,976	1.33%	\$ 210,881	0.74%
BENTON	30,566,342	1,197,440	3.92%	126,846	0.41%	1,324,286	4.33%	\$ 3,427	0.01%
BIG STONE	5,446,785	0	0.00%	102	0.00%	102	0.00%	\$ 0	0.00%
BLUE EARTH	63,511,963	2,317,403	3.65%	155,540	0.24%	2,472,943	3.89%	\$ 525,672	0.83%
BROWN	21,237,549	406,851	1.92%	83,588	0.39%	490,439	2.31%	\$ 0	0.00%
CARLTON	26,611,571	106,416	0.40%	0	0.00%	106,416	0.40%	\$ 0	0.00%
CARVER	119,092,760	6,313,148	5.30%	0	0.00%	6,313,148	5.30%	\$ 71,000	0.06%
CASS	63,266,642	244,487	0.39%	53,150	0.08%	297,637	0.47%	\$ 0	0.00%
CHIPPEWA	12,412,369	114,487	0.92%	241,267	1.94%	355,754	2.87%	\$ 27,959	0.23%
CHISAGO	55,859,571	987,575	1.77%	235,684	0.42%	1,223,259	2.19%	\$ 319,099	0.57%
CLAY	37,173,686	1,341,459	3.61%	155,641	0.42%	1,497,100	4.03%	\$ 0	0.00%
CLEARWATER	7,171,051	0	0.00%	13,293	0.19%	13,293	0.19%	\$ 0	0.00%
COOK	16,081,845	0	0.00%	0	0.00%	0	0.00%	\$ 0	0.00%
COTTONWOOD	12,908,702	196,755	1.52%	14,876	0.12%	211,631	1.64%	\$ 0	0.00%
CROW WING	113,939,725	1,588,911	1.39%	290,120	0.25%	1,879,031	1.65%	\$ 0	0.00%
DAKOTA	501,670,371	20,545,486	4.10%	0	0.00%	20,545,486	4.10%	\$ 304,703	0.06%
DODGE	19,143,727	392,115	2.05%	35,742	0.19%	427,857	2.23%	\$ 0	0.00%
DOUGLAS	48,769,430	702,042	1.44%	179,572	0.37%	881,614	1.81%	\$ 0	0.00%
FARIBAULT	15,755,398	172,807	1.10%	24,060	0.15%	196,867	1.25%	\$ 14,169	0.09%
FILLMORE	20,245,845	523,136	2.58%	13,822	0.07%	536,958	2.65%	\$ 3,000	0.01%
FREEBORN	27,752,078	295,713	1.07%	197,554	0.71%	493,267	1.78%	\$ 17,500	0.06%
GOODHUE	59,452,283	1,711,987	2.88%	67,124	0.11%	1,779,111	2.99%	\$ 65,120	0.11%
GRANT	7,554,635	23,791	0.31%	9,932	0.13%	33,723	0.45%	\$ 0	0.00%
HENNEPIN	1,796,688,965	148,809,998	8.28%	0	0.00%	148,809,998	8.28%	\$ 1,109,133	0.06%
HOUSTON	15,131,123	142,222	0.94%	0	0.00%	142,222	0.94%	\$ 27,857	0.18%
HUBBARD	33,179,878	69,653	0.21%	1,048	0.00%	70,701	0.21%	\$ 0	0.00%
ISANTI	34,998,854	538,953	1.54%	0	0.00%	538,953	1.54%	\$ 125,956	0.36%
ITASCA	54,602,337	451,552	0.83%	21,310	0.04%	472,862	0.87%	\$ 0	0.00%
JACKSON	13,804,062	143,179	1.04%	203,862	1.48%	347,041	2.51%	\$ 65,722	0.48%
KANABEC	13,571,887	121,978	0.90%	0	0.00%	121,978	0.90%	\$ 0	0.00%
KANDIYOHI	41,673,826	298,862	0.72%	282,225	0.68%	581,087	1.39%	\$ 7,893	0.02%
KITTSOON	6,324,702	10,054	0.16%	2,944	0.05%	12,998	0.21%	\$ 0	0.00%
KOOCHICING	9,488,858	0	0.00%	630	0.01%	630	0.01%	\$ 0	0.00%
LAC QUI PARLE	16,402,990	6,475	0.04%	29,950	0.18%	36,425	0.22%	\$ 0	0.00%
LAKE	16,406,247	433,783	2.64%	2,826	0.02%	436,609	2.66%	\$ 0	0.00%
LAKE OF WOODS	4,050,803	0	0.00%	0	0.00%	0	0.00%	\$ 0	0.00%
LE SUEUR	30,591,462	142,492	0.47%	19,194	0.06%	161,686	0.53%	\$ 192,892	0.63%
LINCOLN	5,784,773	16,880	0.29%	0	0.00%	16,880	0.29%	\$ 0	0.00%
LYON	23,644,091	1,330,598	5.63%	141,774	0.60%	1,472,372	6.23%	\$ 0	0.00%
MCLEOD	31,044,072	400,251	1.29%	194,661	0.63%	594,912	1.92%	\$ 0	0.00%
MAHONOMEN	3,499,706	7,634	0.22%	0	0.00%	7,634	0.22%	\$ 0	0.00%

County	Net Tax Capacity	TIF Tax Cap.	% TIF Tax Cap.	JOBZ Tax Cap.	% JOBZ Tax Cap.	TIF and JOBZ Tax Cap.	% TIF & JOBZ Tax Cap.	Prop. Tax Abatement Levies (\$)	Abatement Levy % of Tax Cap.
MARSHALL	8,411,766	29,743	0.35%	1,664	0.02%	31,407	0.37%	\$ 0	0.00%
MARTIN	22,767,320	540,348	2.37%	45,816	0.20%	586,164	2.57%	\$ 0	0.00%
MEEKER	23,641,789	328,337	1.39%	136,368	0.58%	464,705	1.97%	\$ 0	0.00%
MILLE LACS	22,797,054	384,322	1.69%	0	0.00%	384,322	1.69%	\$ 18,500	0.08%
MORRISON	29,944,732	576,219	1.92%	56,034	0.19%	632,253	2.11%	\$ 0	0.00%
MOWER	29,926,935	648,046	2.17%	5,937	0.02%	653,983	2.19%	\$ 2,238	0.01%
MURRAY	12,180,690	37,571	0.31%	20,962	0.17%	58,533	0.48%	\$ 1,665	0.01%
NICOLLET	28,021,395	1,019,881	3.64%	22,005	0.08%	1,041,886	3.72%	\$ 0	0.00%
NOBLES	17,350,880	427,486	2.46%	400,724	2.31%	828,210	4.77%	\$ 70,099	0.40%
NORMAN	5,795,452	14,056	0.24%	0	0.00%	14,056	0.24%	\$ 0	0.00%
OLMSTED	136,699,651	1,709,423	1.25%	533,993	0.39%	2,243,416	1.64%	\$ 1,443,200	1.06%
OTTER TAIL	73,804,779	1,349,501	1.83%	314,615	0.43%	1,664,116	2.25%	\$ 112,462	0.15%
PENNINGTON	7,182,217	74,337	1.04%	0	0.00%	74,337	1.04%	\$ 4,667	0.06%
PINE	30,221,537	415,742	1.38%	26,729	0.09%	442,471	1.46%	\$ 3,000	0.01%
PIPESTONE	8,125,653	106,917	1.32%	204,827	2.52%	311,744	3.84%	\$ 15,823	0.19%
POLK	24,257,576	304,562	1.26%	27,269	0.11%	331,831	1.37%	\$ 10,904	0.04%
POPE	13,432,850	32,235	0.24%	0	0.00%	32,235	0.24%	\$ 7,455	0.06%
RAMSEY	599,102,011	47,852,805	7.99%	0	0.00%	47,852,805	7.99%	\$ 685,280	0.11%
RED LAKE	2,635,513	15,375	0.58%	77	0.00%	15,452	0.59%	\$ 0	0.00%
REDWOOD	17,136,451	53,171	0.31%	41,666	0.24%	94,837	0.55%	\$ 90,274	0.53%
RENVILLE	21,408,907	203,295	0.95%	8,826	0.04%	212,121	0.99%	\$ 13,973	0.07%
RICE	63,516,292	2,865,484	4.51%	473,240	0.75%	3,338,724	5.26%	\$ 116,287	0.18%
ROCK	10,568,565	64,750	0.61%	21,485	0.20%	86,235	0.82%	\$ 7,300	0.07%
ROSEAU	9,042,197	133,166	1.47%	33,694	0.37%	166,860	1.85%	\$ 0	0.00%
ST LOUIS	164,498,116	6,550,199	3.98%	97,824	0.06%	6,648,023	4.04%	\$ 40,000	0.02%
SCOTT	162,564,303	3,101,767	1.91%	0	0.00%	3,101,767	1.91%	\$ 549,359	0.34%
SHERBURNE	96,525,080	1,740,706	1.80%	0	0.00%	1,740,706	1.80%	\$ 313,184	0.32%
SIBLEY	17,095,197	185,037	1.08%	0	0.00%	185,037	1.08%	\$ 11,843	0.07%
STEARNS	133,473,553	5,471,458	4.10%	306,113	0.23%	5,777,571	4.33%	\$ 22,467	0.02%
STEELE	34,076,864	266,011	0.78%	42,005	0.12%	308,016	0.90%	\$ 100,000	0.29%
STEVENS	9,565,405	88,026	0.92%	21,226	0.22%	109,252	1.14%	\$ 0	0.00%
SWIFT	12,129,030	115,226	0.95%	0	0.00%	115,226	0.95%	\$ 322,000	2.65%
TODD	19,168,829	172,580	0.90%	14,280	0.07%	186,860	0.97%	\$ 0	0.00%
TRAVERSE	6,890,417	1,744	0.03%	2,706	0.04%	4,450	0.06%	\$ 0	0.00%
WABASHA	21,585,914	751,270	3.48%	85,741	0.40%	837,011	3.88%	\$ 27,372	0.13%
WADENA	9,176,845	118,516	1.29%	20,568	0.22%	139,084	1.52%	\$ 0	0.00%
WASECA	17,843,442	171,335	0.96%	16,044	0.09%	187,379	1.05%	\$ 219,702	1.23%
WASHINGTON	318,217,739	8,006,997	2.52%	0	0.00%	8,006,997	2.52%	\$ 2,406,769	0.76%
WATONWAN	10,448,058	50,364	0.48%	14,698	0.14%	65,062	0.62%	\$ 50,682	0.49%
WILKIN	8,797,042	78,356	0.89%	0	0.00%	78,356	0.89%	\$ 0	0.00%
WINONA	39,185,730	261,781	0.67%	32,282	0.08%	294,063	0.75%	\$ 23,766	0.06%
WRIGHT	137,963,064	3,695,753	2.68%	0	0.00%	3,695,753	2.68%	\$ 100,000	0.07%
YELLOW MEDICINE	11,046,443	78,010	0.71%	0	0.00%	78,010	0.71%	\$ 63,200	0.57%
<b>Totals/Averages</b>	<b>6,330,370,345</b>	<b>305,127,616</b>	<b>4.82%</b>	<b>6,011,732</b>	<b>0.09%</b>	<b>311,139,348</b>	<b>4.92%</b>	<b>\$ 9,882,017</b>	<b>0.16%</b>

by county when cities are in more than one county. For that reason, Table 1a is included on page 12 and shows the amount of abatement by school district. For the abatement data of individual cities (which does not include the county or school portion), go to [www.citizensleague.org](http://www.citizensleague.org) and review Table 5.

## 2007-08 CHANGES IN PROPERTY TAX SUBSIDIES BY COUNTY

The 2007 TIF and JOBZ Review was the first year that the Citizens League assembled TIF and JOBZ tax capacity by county, and although there were some shifts within the 87 counties, on a statewide basis the percent of tax base captured in TIF and JOBZ stayed the same at 4.9 percent in 2008.

Although metro counties are not eligible for JOBZ, most of them remain among the top users in terms of the percentage of tax base captured when TIF and JOBZ are combined. The most significant impact that JOBZ has on the overall rankings is in Nobles County, which ranks 20th in TIF use, but moves up to 7th overall when TIF and JOBZ are combined. View the expanded Table 1 on the Citizens League website for details.

The top 10 counties in terms of the percentage of tax base in TIF and JOBZ combined:

1. Hennepin (8.3%)
2. Ramsey (8.0%)
3. Lyon (6.2%)
4. Anoka (6.0%)
5. Carver (5.3%)
6. Rice (5.3%)
7. Nobles (4.8%)
8. Stearns (4.3%)
9. Dakota (4.3%)
10. St. Louis (4.1%)

continued on page 12

\* = Property tax abatement levies are estimates by local officials submitted to the Department of Revenue as part of the property tax levy report. Abatement levies are not reported as tax capacity and are not directly comparable to TIF and JOBZ. Abatement levies are the actual dollars raised from tax capacity when property tax rates are applied. Abatement levies of cities, counties, and school districts have been combined in this table. School district abatement levies have been assigned to the home county for that school district, but school districts are often not contained within county borders.

Sources: Minnesota Department of Revenue, Minnesota Department of Education  
Calculations by Citizens League.

# Property Tax Subsidies

continued from page 11

### Table 1a: School District Property Tax Abatement Levies (2008)

School District Number	Home County	School District Name	Prop. Tax Abatement Levies (\$)
22	Becker	DETROIT LAKES	\$5,085
23	Becker	FRAZEE-VERGAS	\$1,637
282	Hennepin	ST. ANTHONY-NEW BRIGHTON	\$36,005
347	Kandiyohi	WILLMAR	\$7,893
518	Nobles	WORTHINGTON	\$25,099
549	Otter Tail	PERHAM	\$98,925
622	Ramsey	NORTH ST PAUL-MAPLEWOOD	\$215,953
624	Ramsey	WHITE BEAR LAKE	\$224,749
833	Washington	SOUTH WASHINGTON COUNTY	\$300,365
2180	Chippewa	M.A.C.C.R.A.Y.	\$6,959
2805	Wabasha	ZUMBROTA-MAZEPPA	\$7,372
<b>Total</b>			<b>\$930,042</b>

Source: Minnesota Department of Education

Looking at percentage of tax base in TIF and JOBZ from 2007 to 2008—and applying rankings—reveals that increases in JOBZ were usually a part, if not the main reason, that some counties increased their combined TIF and JOBZ rankings.

- Pipestone County went from 47 to 15 as its JOBZ tax capacity rose from \$6,600 to \$204,800.
- Rice County moved up from 8 to 6 as JOBZ tax capacity went from \$50,000 to \$475,000. (TIF use also increased as a percent of tax base.)
- Jackson County moved up from 43 to 24 as JOBZ tax capacity more than tripled.

### Table 2: Cities With More Than \$1 Million in TIF and JOBZ Tax Capacity (2008)

City	County	City Net Tax Capacity	TIF Tax Cap.	% TIF of Total Tax Cap.	JOBZ Tax Cap.	TIF and JOBZ Tax Cap.	Rank	% TIF & JOBZ of Total Tax Cap.	Rank
ROGERS	HENNEPIN	17,305,728	5,413,130	31.28%		5,413,130	11	31.28%	1
CHASKA	CARVER	27,471,809	5,463,817	19.89%		5,463,817	10	19.89%	2
MOUNDS VIEW	RAMSEY	12,334,649	2,406,745	19.51%		2,406,745	27	19.51%	3
WAITE PARK	STEARNS	10,246,825	1,921,624	18.75%		1,921,624	37	18.75%	4
ANOKA	ANOKA	17,452,080	2,839,949	16.27%		2,839,949	23	16.27%	5
CHAMPLIN	HENNEPIN	24,967,624	3,774,820	15.12%		3,774,820	13	15.12%	6
ST ANTHONY *	HENNEPIN *	10,534,794	1,566,665	14.87%		1,566,665	45	14.87%	7
MINNEAPOLIS	HENNEPIN	476,003,270	70,210,276	14.75%		70,210,276	1	14.75%	8
NEW BRIGHTON	RAMSEY	24,859,396	3,657,845	14.71%		3,657,845	15	14.71%	9
RAMSEY	ANOKA	26,010,272	3,715,531	14.28%		3,715,531	14	14.28%	11
RICHFIELD	HENNEPIN	39,532,142	5,485,685	13.88%		5,485,685	9	13.88%	12
STILLWATER	WASHINGTON	24,248,977	3,264,731	13.46%		3,264,731	20	13.46%	13
WAYZATA	HENNEPIN	20,485,281	2,694,418	13.15%		2,694,418	25	13.15%	14
MARSHALL	LYON	9,630,722	1,248,477	12.96%	129,411	1,377,888	46	14.31%	10
SOUTH ST PAUL	DAKOTA	18,666,122	2,227,684	11.93%		2,227,684	31	11.93%	15
VADNAIS HTS	RAMSEY	19,387,586	2,252,559	11.62%		2,252,559	30	11.62%	16
ST LOUIS PARK	HENNEPIN	68,465,080	7,639,464	11.16%		7,639,464	6	11.16%	17
COLUMBIA HTS	ANOKA	15,815,909	1,747,297	11.05%		1,747,297	40	11.05%	18
BROOKLYN PARK	HENNEPIN	79,075,807	8,181,781	10.35%		8,181,781	5	10.35%	19
FRIDLEY	ANOKA	35,556,469	3,648,609	10.26%		3,648,609	16	10.26%	20
ST PAUL	RAMSEY	281,030,887	27,910,887	9.93%		27,910,887	2	9.93%	22
GOLDEN VALLEY	HENNEPIN	43,811,096	4,303,310	9.82%		4,303,310	12	9.82%	23
DULUTH	ST LOUIS	63,692,925	5,857,399	9.20%	51,439	5,908,838	7	9.28%	24
BROOKLYN CENTER	HENNEPIN	26,190,151	2,405,929	9.19%		2,405,929	28	9.19%	25
WEST ST PAUL	DAKOTA	20,496,909	1,707,699	8.33%		1,707,699	41	8.33%	26
EDINA	HENNEPIN	120,084,430	9,771,137	8.14%		9,771,137	4	8.14%	27
CRYSTAL	HENNEPIN	20,904,700	1,698,742	8.13%		1,698,742	43	8.13%	28
NEW HOPE	HENNEPIN	21,399,998	1,646,615	7.69%		1,646,615	44	7.69%	29



- McLeod County moved up from 45 to 32 as JOBZ tax capacity more than doubled.
- Olmsted County (which had the most tax capacity in JOBZ at \$534,000 in 2008) went from 48 to 41 with increases in both JOBZ and TIF.
- Beltrami County moved up from 54 to 48 with its first use of JOBZ.

Those that rank in the top 25 in TIF and JOBZ tax capacity and abatement levy as a percent of tax base are:

- Ramsey (2 and 24)
- Rice (6 and 21)
- Nobles (7 and 13)
- Blue Earth (13 and 4)
- Wabasha (14 and 23)
- Pipestone (15 and 19)
- Goodhue (17 and 25)
- Chippewa (18 and 18)
- Washington (23 and 5)
- Jackson (24 and 12)

Now that we have some data in all three areas of property tax subsidies, the Citizens League will seek to find an approach to improve and better unify the data for our 2009 property tax subsidy report.

Visit the Citizens League website to get all available information for the 2008 Property Tax Subsidy Review.

### WHO LEADS IN ABATEMENT USE?

The top 10 counties in terms of abatement use as a percentage of tax base are: Swift, Waseca, Olmsted, Blue Earth, Washington, Beltrami, Le Sueur, Yellow Medicine, Chisago, and Redwood. Of that group, only Blue Earth County also ranks high in combined TIF and JOBZ use (number 13).

City	County	City Net Tax Capacity	TIF Tax Cap.	% TIF of Total Tax Cap.	JOBZ Tax Cap.	TIF and JOBZ Tax Cap.	Rank	% TIF & JOBZ of Total Tax Cap.	Rank
FARIBAULT	RICE	17,085,155	1,285,685	7.53%	417,302	1,702,987	42	9.97%	21
BLOOMINGTON	HENNEPIN	157,773,823	11,434,478	7.25%		11,434,478	3	7.25%	30
BURNSVILLE	DAKOTA	79,736,357	5,686,829	7.13%		5,686,829	8	7.13%	31
ANDOVER	ANOKA	31,165,076	2,211,805	7.10%		2,211,805	32	7.10%	33
NORTHFIELD	RICE-DAKOTA	16,395,171	1,109,014	6.76%	55,938	1,164,952	51	7.11%	32
SAVAGE	SCOTT	31,134,241	2,091,713	6.72%		2,091,713	35	6.72%	34
MONTICELLO	WRIGHT	17,312,075	1,121,478	6.48%		1,121,478	52	6.48%	35
INVER GROVE HTS	DAKOTA	40,698,637	2,402,295	5.90%		2,402,295	29	5.90%	37
MANKATO *	BLUE EARTH *	34,082,085	1,999,356	5.87%	11,712	2,011,068	36	5.90%	38
APPLE VALLEY	DAKOTA	58,336,229	3,361,682	5.76%		3,361,682	17	5.76%	39
SHOREVIEW	RAMSEY	37,742,869	2,129,346	5.64%		2,129,346	34	5.64%	40
MOORHEAD	CLAY	20,266,391	1,119,322	5.52%	150,333	1,269,655	47	6.26%	36
ROSEVILLE	RAMSEY	60,129,769	3,291,974	5.47%		3,291,974	19	5.47%	41
HOPKINS	HENNEPIN	21,369,871	1,096,223	5.13%		1,096,223	53	5.13%	42
FOREST LAKE	WASHINGTON	24,458,931	1,193,559	4.88%		1,193,559	50	4.88%	43
BLAINE *	ANOKA *	67,843,929	3,249,543	4.79%		3,249,543	21	4.79%	45
COON RAPIDS	ANOKA	64,469,777	2,838,549	4.40%		2,838,549	24	4.40%	46
ST CLOUD *	STEARNS *	49,710,911	2,153,436	4.33%	269,500	2,422,936	26	4.87%	44
MAPLE GROVE	HENNEPIN	98,260,891	3,345,002	3.40%		3,345,002	18	3.40%	47
LAKEVILLE	DAKOTA	66,208,936	2,173,411	3.28%		2,173,411	33	3.28%	48
EDEN PRAIRIE	HENNEPIN	124,136,802	3,138,215	2.53%		3,138,215	22	2.53%	49
MINNETONKA	HENNEPIN	104,745,961	1,760,027	1.68%		1,760,027	39	1.68%	51
ROCHESTER	OLMSTED	96,011,584	1,434,767	1.49%	471,114	1,905,881	38	1.99%	50
EAGAN	DAKOTA	96,675,119	1,252,499	1.30%		1,252,499	48	1.30%	52
PLYMOUTH	HENNEPIN	122,238,410	1,202,261	0.98%		1,202,261	49	0.98%	53
<b>Totals/Rankings</b>		<b>3,113,650,638</b>	<b>258,745,294</b>	<b>8.31%</b>	<b>1,556,749</b>	<b>260,302,043</b>	<b>53</b>	<b>8.36%</b>	<b>53</b>

Source: Minnesota Department of Revenue Calculations by Citizens League  
 \* = City has tax capacity in more than one county.

## Citizenship

continued from page 7

Are there other ways to define this group? Other claims to explore? How could we characterize the claims of “transit users” as a group? It seems that a lot more playing around with these ideas is necessary to find a good way to evaluate claims.

### THE BIG QUESTION

How does this identification of groups and claims help? We are not sure yet if it does. One concern expressed by the group was that if we identify more groups and claims, it could cause more divisiveness rather than less. Would this identification not just

feed into some of the well-established policy battles that we have today?

Answering these questions will require the Citizens League to engage workshop participants and many others in thinking about how we might organize the examination of our groups and our claims, as well as how we get our groups to put the call for a new practice of citizenship above their claims. ●

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## Resilience

continued from page 6

light rail and bus system improvements. Why the different outcome for similar programs? Conventional wisdom says it came down to smart reframing of the issues, strategic campaigning, and collaborative leadership. A new broad-based Transit Alliance undertook a multi-year public education campaign, reframed transit expansion as a quality of life issue, successfully lobbied for greater transparency in transportation decision-making, and gained favor from the Metro Mayors’ Caucus, an influential consensus builder. Yet for all this collective progress, Denver’s success may owe more to the inclinations of a single individual, former Denver Mayor [Federico Peña](#). Twenty-five years earlier, Peña started hosting no-agenda social gatherings for city and suburban colleagues. The consequent cross-border familiarity and trust have kindled a now normal collaborative political culture that is itself a resilience factor.

Regional resilience, like personal health, is emerging as nuanced and multifaceted. The project is revealing distinct resilience norms and expectations for different types of regions and specific types of challenges. We’re still investigating whether or how building resilience to one kind of challenge—economic decline, for example—may foster resilience to other civic or social challenges, and whether there are absolutes of resilience common across regions. In the end, the search is for practical insights on common regional questions: “How resilient are we compared to our peers?” “What choices or strategies would make us more resilient?” “How does resilience matter in the first place?”

Learn more about the project at Building Resilient Regions at <http://brr.berkeley.edu>. ●

**Kathryn A. Foster is a member of the Building Resilient Regions Network and director of the University at Buffalo Regional Institute, State University of New York.**

“Snapping Back: What Makes a Region Resilient?” was originally published in the *National Civic Review* 96 (3, Fall 2007), pp. 27-29. Reproduced with Permission from John Wiley & Sons. It has been updated slightly from the original.

## REGIONALISM—GOOD OR BAD?

### When regional collaboration make sense

Regionalism can lead to good public policy. There are currently 16 Mental Health Initiative regions in Minnesota. The counties in these regions collaborate in the planning and funding of community-based mental health services. They were created in order to move away from institutional care and really create a community mental health system.

In this policy area, regionalism makes sense. There is not the population base in many of our counties to have a full array of mental health services. A small county may find it impossible to recruit a psychiatrist or other mental health professionals.

Under this type of regionalism, a group of counties can plan together to ensure that there is access to crisis services, employment, in-home supports, respite care, residential treatment, and other services in their region instead of just in their county. They can pool their resources and create more of a “system” that would be attractive to recruit professionals.

Despite the good work that has taken place under the Mental Health Initiative regions, we still have some work to do. For example, why are there different regions for the adult and children mental health systems? Why is it that in the metro area there are five regions and seven counties and seven mental health crisis numbers? How do you create a region in the children’s area when school district lines can cross county lines? And how does maintenance of effort (MOE) in the mental health system work when you have regions?

Regionalism can be a good thing for creating comprehensive systems and for increasing efficiency and expertise. The problem is that we do have regions already in a variety of areas, but the lines are drawn differently.

—Sue Aberholden is the Executive Director of NAMI Minnesota.

# PERSPECTIVES

## Expanding Minnesota's Conversation



### When it comes to public planning, are we mayflies or redwoods?

The erosion of traditional boundaries demands new perspectives and new models

by Tom Abeles

*"This is your last chance. After this, there is no turning back. You take the blue pill... the story ends, you wake up in your bed and believe whatever you want to believe. You take the red pill... you stay in wonderland and I show you how deep the rabbit-hole goes. Remember that all I am offering is the truth. Nothing more."*

—Morpheus to Neo in "The Matrix"

With every tick of the clock the world changes, never to return. The speed at which it changes depends on one's perception of time. The mayfly, its life measured in hours, sees the world change differently from the giant redwood, whose life is measured in centuries.

In less than two centuries the United States has seen transportation evolve from paths and corduroy roads to canals, railroads, interstates, and international air travel. Mining towns have come and gone; and communities that settled at barriers to travel, such as rivers or water and fueling stations for steam engines, have risen only to disappear. Similarly, rural towns lost to regional centers, victims of the growing interstate system and farm consolidation. In many ways, communities across the United States might be seen as semi-permanent construction, much like the towns that served steam trains.

In the United States, items are labeled as antiques if they are more than 100 years old. Yet to Chinese, these things might be seen as "slightly used." Buildings are entered into historic records, yet their age pales in comparison to Hadrian's Wall in England. What is this concern regarding a past that never was? Is it, perhaps, to dream of a future that never will be? While we become enamored with progress, primarily technological in nature, civil society proceeds in a slower, less certain, pace. It is balanced on a knife edge's ready to collapse into chaos.

A squirrel does not know if it has crossed over a political boundary. Trees don't know on which side of a watershed they should grow. And in a world seen as "flat," knowledge travels across all boundaries at a click of a mouse. In fact, knowledge may be the most fungible and liquid asset humans have. Today, groups migrate across political boundaries to become assimilated. With the World Wide Web and the ability to move across boundaries, physically, intellectually, and culturally, do boundaries make sense? As people migrate, so does other life. Some forms of life are useful and beneficial and others even harmful.

In the United States, items are labeled as antiques if they are more than 100 years old. Yet to Chinese, these things might be seen as "slightly used."

How do we plan in a flattened world where knowledge knows no place, where ecosystems, in the past, have been created in part by populations divided by arbitrary boundaries but now are affected by events on the other side of the planet?

How do we deal with "cyberspace"? Worlds once described as "virtual" have real economies that are linked to our economy the same as between the economies of two countries. Individuals around the world, in a virtual world, can amass fortunes in U.S. dollars or another recognized currency.

Most planners develop models of the future given certain ideas on what to do. We have variables, x,y,z's, which describe the inputs. And we have coefficients that tell us the relationship between the variables, a,b,c's, which gives us the output,  $y=ax+by+cz+\dots$  What complex dynamics tell us is that the a,b,c's are not the accepted idea of constants, but are actually

variables with time constants that are much longer than the independent variables, x,y,z. Relationships change.

The issue is actually more complicated. But for our purposes it basically says that the careful plans that we make today will change as we move into the future, just a tiny step or several steps. This calls for new models for planning.

Art conservators repair objects so that the restoration can be undone as newer and better techniques and materials become available. Today's technologies and the rapid pace of change require such addressment to thinking about the future. What we "cast in concrete" needs to be thought through with care. This includes not just material objects, including roads and bridges, but social structures such as communities, education systems, and government agencies in physical or virtual space. With a flattening earth and a growing cyber universe, a virtual Minnesota, the use of land and natural resources and the location of political boundaries and governmental units may need to be seriously addressed. While we accept that technology and structures have a half-life, we have yet to come to grips with the growing realization that our sacred civil structures, too, may not survive with traditional amendments and legal patches. ●

**Dr. Tom Abeles is president of Sagacity, Inc., an international consulting firm specializing in renewable energy and sustainable agriculture. He consults internationally as a professional futurist specializing in e-learning and information/communication technologies and edits the international academic journal, "On the Horizon" ([www.emeraldinsight.com/oth.htm](http://www.emeraldinsight.com/oth.htm)).**

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**4/14** Policy and a Pint

**4/30** Imagination Works

Join us for the kick off of our new series on innovation in public policy featuring Alex Cirillo from 3M. 7:30 a.m.

**5/06** Policy and a Pint

**5/07** Inter-Generational Roundtable Discussion  
Wheelock Whitney. 6 p.m.

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PERIODICALS



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