#### Agenda Edina Housing and Redevelopment Authority City of Edina, Minnesota Edina City Hall Council Chambers Tuesday, March 19, 2019 7:00 PMSpecial Meeting - Immediately following the City Council Meeting

- I. Call to Order
- II. Roll Call
- III. Approval of Meeting Agenda
- IV. Community Comment

During "Community Comment," the Edina Housing and Redevelopment Authority (HRA) will invite residents to share new issues or concerns that haven't been considered in the past 30 days by the HRA or which aren't slated for future consideration. Individuals must limit their comments to three minutes. The Chair may limit the number of speakers on the same issue in the interest of time and topic. Generally speaking, items that are elsewhere on today's agenda may not be addressed during Community Comment. Individuals should not expect the Chair or Commissioners to respond to their comments today. Instead the Commissioners might refer the matter to staff for consideration at a future meeting.

V. Adoption of Consent Agenda

All agenda items listed on the consent agenda are considered routine and will be enacted by one motion. There will be no separate discussion of such items unless requested to be removed from the Consent Agenda by a Commissioner of the HRA. In such cases the item will be removed from the Consent Agenda and considered immediately following the adoption of the Consent Agenda. (Favorable rollcall vote of majority of Commissioners present to approve.)

- A. Minutes: Regular Meeting, February 28, 2019
- VI. Reports/Recommendations: (Favorable vote of majority of Commissioners present to approve except where noted)
  - A. Resolution No. 2019-07: Establishing 72nd and France Tax Increment Financing District and Approving a Tax Increment Financing Plan
- VII. Correspondence
  - A. Correspondence
- VIII. HRA Commissioners' Comments

IX. Executive Director's Comments

#### X. Adjournment

The Edina Housing and Redevelopment Authority wants all participants to be comfortable being part of the public process. If you need assistance in the way of hearing amplification, an interpreter, large-print documents or something else, please call 952-927-8861 72 hours in advance of the meeting.



## **CITY OF EDINA**

HOUSING & REDEVELOPMENT AUTHORITY 4801 West 50th Street Edina, MN 55424 www.edinamn.gov

Edina Housing and Redevelopment Authority Established 1974

Date: March 19, 2019To: Chair & Commissioners of the Edina HRAFrom: Sharon Allison, City Clerk

Subject: Minutes: Regular Meeting, February 28, 2019

Agenda Item #: IV.A.

Item Type: Minutes

Item Activity: Action

#### **ACTION REQUESTED:**

Approve the February 28, 2019, regular meeting minutes of the HRA.

#### **INTRODUCTION:**

#### **ATTACHMENTS:**

Draft Minutes: Regular Meeting, February 28, 2019

#### MINUTES OF REGULAR MEETING OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY FEBRUARY 28, 2019 7:30 A.M.

#### I. CALL TO ORDER

Chair Hovland called the HRA meeting to order at 7:30 a.m.

#### II. ROLLCALL

Answering rollcall were Commissioners Anderson, Brindle, Fischer, and Chair Hovland. Absent: Commissioner Staunton.

#### III. APPROVAL OF MEETING AGENDA

Motion made by Commissioner Fischer seconded by Commissioner Brindle approving the meeting agenda.

Ayes: Anderson, Brindle, Fischer, and Hovland Motion carried.

#### IV. COMMUNITY COMMENT

Arnie Bigbee, 7621 Edinborough Way, spoke about the importance of livability communities and how the HRA and City Council could help guide the City in the future. He referred to the criteria that identified livable communities such as housing, transit, and economic development aspects that he would submit in more detail to the City Clerk for review.

#### V. CONSENT AGENDA

## Motion made by Commissioner Fischer seconded by Commissioner Anderson approving the consent agenda.

#### V.A. Approve Minutes of Regular Meeting of February 14, 2019

Ayes: Anderson, Brindle, Fischer, and Hovland Motion carried.

VI. **REPORTS/RECOMMENDATIONS** – (Favorable vote of majority of HRA Board Members present to approve except where noted).

## VI.A. SUPPORT FOR PRESERVATION OF NATURALLY OCCURING AFFORDABLE HOUSING AT 7008 SANDELL AVENUE

Economic Development Manager Neuendorf outlined reasons to approve the proposed term sheet and authorize staff to engage third-party advisors (at HRA expense) to prepare full legal agreements to provide grant funding for the preservation of affordable housing at 7008 Sandell Avenue. He explained the proposal would preserve naturally occurring affordable housing in the southeast quadrant of Edina by providing monies from the Southdale 2 Tax Increment Financing District to Aeon Housing, a nonprofit housing operator and developer, for an 11-unit apartment building located at 7008 Sandell Avenue. The property was currently for sale on the open market and Aeon intended to acquire the site to preserve affordable rents for at least 30 years. Mr. Neuendorf spoke about Edina's affordable housing strategies that included the production of new affordable units that protected existing residents from the loss of their homes as well as the preservation of existing units where possible. He shared Edina currently had approximately 100 properties or 5,400 rental units in the City with only 994 deemed affordable or 18%. He reviewed Aeon's proposal that included some moderate rehabilitation and intent to lock the units in as affordable for a 30-year term with no tenants being displaced. He stated the project was under contract and Aeon intended to close in May.

The HRA asked questions regarding purchase price, building condition, partnering at a 5% level if approved, and how this would be the first time this type of project would be done in the City as new units are typically created instead.

#### Minutes/HRA/February 28, 2019

Blake Hopkins, Aeon Housing, answered questions in detail on rate of return to their equity investors and how they would work to achieve a higher rate while stabilizing rental rates. He said they were working with the City of Minneapolis as well and explained that while they were still conducting needs assessments, the property was in good shape and interior improvements had already been completed.

The HRA clarified the investment plan and referred to the potential of setting a precedent for similar projects as they did not want to be unfair to future projects but noted this was a good opportunity. The HRA inquired about loan to value and why investors participate in such projects. Mr. Hopkins replied the loan to value was approximately 77% and a competitive blended. Their impact investors work towards a double bottom line that included a return on investment as well as the common good. He explained Aeon received partial funding from foundations.

The HRA thanked the applicant for bringing this project forward and noted that to create 11 units of affordable housing, 55 new units would have to be built and this project resulted in much less public expense and maintained a current project. The HRA spoke about the creation of guidelines for future project consideration and asked if some tenants would see improvements and rent reduction while others saw rent increases. Mr. Hopkins confirmed any rent changes would occur naturally as units turn over and no one would experience a rent increase.

The HRA noted this project would be a good investment both on the financial and human side and commented on the Housing Task Force report by the State of Minnesota that preserved naturally-occurring affordable housing that was sustainable, less expensive, and less disruptive to the neighborhood. The HRA thanked the applicant for bringing this to Edina and asked about the source of funds used by the City. Mr. Neuendorf said they intend to use existing Southdale 2 monies pooled into this property and use buy-in funds for future projects.

# Motion made by Commissioner Anderson seconded by Commissioner Fischer to approve the Term Sheet and authorize staff to engage third-party advisors (at HRA expense) to prepare full legal agreements to provide grant funding for the preservation of affordable housing at 7008 Sandell Avenue.

Ayes: Anderson, Brindle, Fischer, and Hovland Motion carried.

#### VII. CORRESPONDENCE

VII.A. Correspondence - None

#### VIII. HRA COMMISSIONERS' COMMENTS - None

#### IX. EXECUTIVE DIRECTOR'S COMMENTS

#### IX.A. Project Update

Mr. Neuendorf shared an update on 4500 France, 39250Market Street (Nolan Main), former Edina Public Works site, and the library site.

#### **IX.B.** Special Legislation Update

Executive Director Neal shared an update on current legislation that would extend the life of the Southdale 2 TIF District through added spending flexibility.

#### X. ADJOURNMENT

There being no further business on the HRA Agenda, Chair Hovland declared the meeting adjourned at 8:30 a.m.

Respectfully submitted,

Scott Neal, Executive Director



Edina Housing and Redevelopment Authority Established 1974

Date:

March 19, 2019

## **CITY OF EDINA**

HOUSING & REDEVELOPMENT AUTHORITY 4801 West 50th Street Edina, MN 55424 www.edinamn.gov

 To:
 Chair & Commissioners of the Edina HRA

 Report /

 From:
 Bill Neuendorf, Economic Development Manager

 Subject:
 Resolution No. 2019-07: Establishing 72nd and France Tax Increment Financing District and Approving a Tax Increment Financing Plan

Agenda Item #: V.A.

Item Type: Report / Recommendation

> Item Activity: Action

#### **ACTION REQUESTED:**

Approve Resolution 2019-07 establishing the 72nd and France Tax Increment Financing District and approving a Tax Increment Financing Plan.

#### **INTRODUCTION:**

This item pertains to redevelopment financing for property located at 7200-7250 France Avenue.

A 20-year Special Housing TIF District is recommended to be established to support the construction of affordable housing and public improvements at the site.

Staff recommends approval of the Resolution.

#### **ATTACHMENTS:**

Staff Report: Establishing 72nd & France TIF and Approving a TIF Plan

Resolution No. 2019-07

72 France TIF Plan

Staff Presentation: Establishing 72nd & France TIF and Approving a TIF Plan



Date: March 19, 2019

To:	Chair and	Commissioners	of the	Edina	HRA
10:		Commissioners	or the	Lana	1 11 0

From: Bill Neuendorf, Economic Development Manager

**Subject:** Resolution No. 2019-07: Establishing 72<sup>nd</sup> and France Tax Increment Financing District and Approving a Tax Increment Financing Plan

#### Information / Background:

The City and Housing and Redevelopment Authority are considering entering into a Redevelopment Agreement with France Equities, LLC to provide financial assistance using Tax Increment Financing (TIF).

The proposed project is located at 7200-7250 France Avenue and is guided for commercial/multi-family residential use. One of the existing office buildings is vacant and unable to be occupied due to structural safety concerns. The second office building is mostly vacant with the few remaining tenants anticipated to vacate in the near future. In December 2018, the developer/owner was granted preliminary rezoning and site plan approval for a mixed-use development that consists of two 6-story apartment buildings with commercial space on the first floor and a row of for-sale townhouses. The site is designed with significant public realm space that follows the intention of the Greater Southdale District Plan. All parking will be enclosed or underground. Twenty percent of the approximately 311 total units will be affordably priced for 25-years. The high development cost and limited revenue from the affordable units creates a gap in the project financing.

Tax Increment Financing (TIF) is one of the financial tools available to encourage new investment in a manner that enhances the property tax base and achieves other community goals. TIF uses new property taxes (aka incremental taxes) that are generated by a new project to pay for some of the costs associated with the new project. The existing tax base continues to be distributed to the school, city, county and other taxing agencies.

The use of TIF is governed by Minnesota Statutes that have evolved over several decades. These laws provide a number of protections to ensure that financial incentives are not over-used or mis-used. Edina has historically used TIF to a lesser extent than its peers. The City's TIF Policy limits financial risk to the City and strives to maximize public benefits when TIF is used.

In this case, staff recommends that a new TIF District be created so that the financial gap of the proposed 7200-7250 France Apartment project can be bridged. This will allow a new project to proceed resulting in short-term and long-term benefits to the Edina community. This recommendation is based on the following:

- Creation of a new 20-year Housing TIF District using special legislation granted in 2014
- Redevelopment can deliver approximately 62 units of new affordable priced housing
- Boundaries limited to 2 parcels that are define the project limits of the 7200-7250 France redevelopment site
- District is located within the boundaries of the Southeast Edina Redevelopment Project Area
- Redevelopment within the District can promptly address the vacant buildings before they become a safety problem and negative influence on surrounding residential and commercial properties
- Redevelopment can achieve goals of the Greater Southdale District Plan that was created over several years to address design and land use challenges of the site

This recommendation also comes with limitations to ensure that the public financing potentially made available to the Developer in the future are justified and serve as an incentive that rewards a project that has delivered clear public benefits. The financing terms and public benefits of the 7200-7250 France Apartments were described in Term Sheet that was prepared by staff and approved by the City Council and HRA in February.

Ehlers Associates, the City's public finance advisor has prepared a Tax Increment Financing Plan to establish the parameters of the new TIF District. This Plan has been reviewed by the City's special counsel for redevelopment matters – Dorsey & Whitney to ensure compliance with State Law.

Draft copies of this Plan have been distributed to affected taxing agencies, including the Edina School District and Hennepin County in accordance with the process identified in State Law. As of the writing of this staff report, no concerns have been expressed regarding the creation of the 72<sup>nd</sup> and France TIF District.

This TIF Plan is also recommended to be approved by the Edina City Council at their March 19, 2019 special meeting.

Please note that the action taken in this Resolution only establish the TIF District. Final terms of any financial agreement with the developer will be considered in a separate action taken in the future.

Staff recommends that HRA Resolution No. 2019-07 be approved.



#### EDINA HOUSING AND REDEVELOPMENT AUTHORITY

#### CITY OF EDINA HENNEPIN COUNTY STATE OF MINNESOTA

#### **RESOLUTION NO. 2019-07**

#### ESTABLISHING THE 72ND AND FRANCE TAX INCREMENT FINANCING DISTRICT AND APPROVING A TAX INCREMENT FINANCING PLAN THEREFOR

WHEREAS, it has been proposed by the Board of Commissioners (the "Board") of the Edina Housing and Redevelopment Authority (the "HRA") and the City of Edina (the "City") that the HRA adopt a Modification to the Redevelopment Plan (the "Redevelopment Plan Modification") for the Southeast Edina Redevelopment Project Area (the "Project Area") to establish the 72nd and France Tax Increment Financing District (the "District") and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Redevelopment Plan Modification and the TIF Plan are referred to collectively herein as the "Plans"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.001 to 469.047 and Sections 469.174 to 469.1794, inclusive, as amended (the "Act"), and Minnesota Session Laws 2014, Chapter 308, Article 6, Section 8, as amended by Minnesota Session Laws 2017, First Special Session Chapter 1, Article 6, Sections 11 and 16 (the "Special TIF Housing Legislation") all as reflected in the Plans and presented for the Board's consideration; and

WHEREAS, the HRA has investigated the facts relating to the Plans and has caused the Plans to be prepared; and

WHEREAS, the HRA has performed all actions required by law to be performed prior to the adoption of the Plans. The HRA has also requested the City Planning Commission to provide for review of and written comment on Plans and that the Council schedule a public hearing on the Plans upon published notice as required by law.

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The HRA hereby finds that the District is in the public interest and is a "housing district" under Minnesota Statutes, Section 469.174, Subd. 11 and the Special TIF Housing Legislation, finds that the adoption of the proposed Plans conforms in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State of Minnesota for affordable and high-quality housing and thereby serves a public purpose.

2. The HRA further finds that the Plans will afford maximum opportunity, consistent with the sound needs for the City as a whole, for the development or redevelopment of the Project Area by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.

3. The boundaries of the Project Area are not being expanded.

4. The reasons and facts supporting the findings in this resolution are described in the Plans.

5. The HRA elects to calculate fiscal disparities for the District in accordance with Minnesota Statutes, Section 469.177, Subd. 3, clause b, which means the fiscal disparities contribution would be taken from inside the District.

6. Conditioned upon the approval thereof by the City Council following its public hearing thereon, the Plans, as presented to the HRA on this date, are hereby approved, established and adopted and shall be placed on file in the office of the Executive Director of the HRA.

7. Upon approval of the Plans by the City Council, the staff, the HRA's advisors and legal counsel are authorized and directed to proceed with the implementation of the Plans and for this purpose to negotiate, draft, prepare and present to this Board for its consideration all further plans, resolutions, documents and contracts necessary for this purpose. Approval of the Plans does not constitute approval of any project or a development agreement with any developer.

8. Upon approval of the Plans by the City Council, the Executive Director of the HRA is authorized and directed to forward a copy of the Plans to the Minnesota Department of Revenue and the Office of the State Auditor pursuant to Minnesota Statutes 469.175, Subd. 4a.

9. The Executive Director of the HRA is authorized and directed to forward a copy of the Plans to the Hennepin County Auditor and request that the Auditor certify the original tax capacity of the District as described in the Plans, all in accordance with Minnesota Statutes 469.177.

Approved by the Board on March 19, 2019.

ATTEST:

Michael Fischer, Secretary

James B. Hovland, Chair

STATE OF MINNESOTA) COUNTY OF HENNEPIN) SS CITY OF EDINA )

#### CERTIFICATE OF EXECUTIVE DIRECTOR

I, the undersigned duly appointed and acting Executive Director for the Edina Housing and Redevelopment Authority do hereby certify that the attached and foregoing Resolution is a true and correct copy of the Resolution duly adopted by the Edina Housing and Redevelopment Authority at its Special Meeting of March 19, 2019, and as recorded in the Minutes of said Special Meeting.

WITNESS my hand and seal of said City this \_\_\_\_\_\_ day of \_\_\_\_\_, 2019.

**Executive Director** 



Draft as of March 11, 2019

## MODIFICATION TO THE REDEVELOPMENT PLAN Southeast Edina Redevelopment Project Area

- AND -

## TAX INCREMENT FINANCING PLAN 72<sup>nd</sup> & France Tax Increment Financing District



Edina Housing and Redevelopment Authority City of Edina, Hennepin County, Minnesota

Public hearing: March 19, 2019

Adopted:



www.ehlers-inc.com

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#### Section 1 - Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area

#### Foreword

The following text represents a Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. Generally, the substantive changes include the establishment of the  $72^{nd}$  and France Tax Increment Financing District.

#### **Municipal Action Taken**

Based upon the statutory authority described in the Redevelopment Plan, the public purpose findings by the City Council and for the purpose of fulfilling the City's development objects as set forth in the Redevelopment Plan, the City Council has created, established and designated the Southeast Edina Redevelopment Plan pursuant to and in accordance with the requirements of Minnesota Statutes, Section 469.001 to 469.047.

The original and amended Southeast Edina Redevelopment Plan documents and amendments have designated the Southeast Edina Redevelopment Plan as a redevelopment project and also a tax increment financing plan for tax increment districts created prior to 1988. The Centennial Lakes Tax Increment Financing District was created in 1988 pursuant to Tax Increment Financing Plan 88-1, which was subsequently renamed the Centennial Lakes Tax Increment District and referred to by Hennepin County as District #1203 and #1249.

For purposes of clarification, this modification will refer to the Southeast Edina Redevelopment Plan as the Southeast Edina Redevelopment Project Area Plan pursuant to Minnesota Statutes 469.002. The following municipal action has been taken with regard to the Southeast Edina Redevelopment Project Area Plan:

September 29, 1977: The Housing and Redevelopment Authority of Edina (the "HRA") approved the Southeast Edina Redevelopment Project Area Plan.

*October 5, 1981*: The Southeast Edina Redevelopment Project Area Plan was amended to identify project costs and bonded indebtedness incurred to finance those costs.

*May 6, 1985*: The HRA and the City approved an amendment to the Southeast Edina Redevelopment Project Area Plan which includes the establishment of an interest reduction program and enlarges the project area to include the "1985 Project Area."

*August 19, 1985*: The HRA and the City approve d the First Amendment to the 1985 Amendment to the Southeast Edina Redevelopment Project Area Plan to enlarge the 1985 Project Area and to authorize the issuance of additional bonds to acquire land within the enlarged 1985 Project Area.

*1987*: The HRA and City approved the 1987 Amendments to the Southeast Edina Redevelopment Plan to enlarge the project area to include the 1987 Project Area.

*1988*: The HRA and City approved the 1988 Amendments to the Southeast Edina Redevelopment Plan that provide an Interest Reduction Program in the amount of \$2,500,000 to assist in the financing and construction of housing units, and authorize the HRA and City to incur bonded indebtedness.

February 21, 2012: The HRA and City expand the Southeast Edina Project Area.

April 17, 2012: The HRA and City establish the Southdale 2 Tax Increment Financing District.

February 18, 2014: The HRA and City establish the Pentagon Park Tax Increment Financing District.

March 2, 2016: The HRA and City establish the Grandview 2 Tax Increment Financing District.

*April 5, 2016:* The HRA and City modify the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District and establish the 66 West Tax Increment Financing District.

June 20, 2017: The HRA and City establish the 50th and France 2 Tax Increment Financing District.

October 16, 2018: The HRA and City establish the 44<sup>th</sup> and France 2 Tax Increment Financing District.

*November 20, 2018:* The HRA and City modify the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District to increase the TIF Budget and enable special legislative pooling authority for affordable housing.

November 20, 2018: The HRA and City establish the West 76th Street Tax Increment Financing District.

#### (As Modified March 19, 2019)

## March 19, 2019: The HRA and City establish the 72<sup>nd</sup> and France Tax Increment Financing District.

For further information, a review of the Redevelopment Plan for the Southeast Edina Redevelopment Project Area is recommended. It is available from the HRA Executive Director at the City of Edina. Other relevant information is contained in the Tax Increment Financing Plans for the Tax Increment Financing Districts located within the Southeast Edina Redevelopment Project Area.

#### Section 2 - Tax Increment Financing Plan for the 72<sup>nd</sup> and France Tax Increment Financing District

#### Subsection 2-1. Foreword

The Edina Housing and Redevelopment Authority (the "HRA"), the City of Edina (the "City"), staff and consultants have prepared the following information to establish the 72<sup>nd</sup> and France Tax Increment Financing District (the "District"), a housing tax increment financing district, located in the Southeast Edina Redevelopment Project Area.

#### Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.001 to 469.047*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), and *Minnesota Session Laws 2014, Chapter 308, Article 6, Section 8* as amended by *Minnesota Session Laws 2017, First Special Session Chapter 1, Article 6, Sections 11 and 16* (the "Edina Affordable Housing Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area, originally adopted September 29, 1977, and modified from time to time.

#### Subsection 2-3. Statement of Objectives

The District currently consists of two parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of a mixed-use development including 301 units of multifamily rental housing, 10 units of owner-occupied town homes, and approximately 28,100 square feet of retail in the City. Please see Appendix A for further District information. The HRA anticipates entering into an agreement with France Equities, LLC as the developer at the time of preparation of the TIF Plan. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area.

The activities contemplated in the Modification to the Redevelopment Plan and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Southeast Edina Redevelopment Project Area and the District.

#### Subsection 2-4. Redevelopment Plan Overview

Pursuant to the Redevelopment Plan and authorizing state statutes, the HRA or City is authorized to undertake the following activities within the District:

- 1. Property to be Acquired Selected property located within the District may be acquired by the HRA or City and is further described in this TIF Plan.
- 2. Relocation Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.

- 3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
- 4. The HRA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

#### Subsection 2-5. Description of Property in the District and Property To Be Acquired

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed in Appendix C of this TIF Plan. Please also see the map in Appendix B for further information on the location of the District.

The City or HRA may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; and carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The City or HRA may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

#### Subsection 2-6. Classification of the District

The HRA and City, in determining the need to create a tax increment financing district in accordance with *M.S., Sections 469.174 to 469.1794*, as amended, inclusive, find that the District, to be established, is a housing district pursuant to *M.S., Section 469.174, Subd. 11, M.S., Section 469.1761* and *Minnesota Session Laws 2014, Chapter 308, Article 6, Section 8, Subd. 2* as defined below:

M.S., Section 469.174, Subd.11:

"Housing district" means a type of tax increment financing district which consists of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts, and that satisfies the requirements of M.S., Section 469.1761. Housing project means a project, or portion of a project, that meets all the qualifications of a housing district under this subdivision, whether or not actually established as a housing district.

M.S., Section 469.1761:

Subd. 1. Requirement imposed.

- (a) In order for a tax increment financing district to qualify as a housing district:
  - (1) the income limitations provided in this section must be satisfied; and
  - (2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses.

- (b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located within a targeted area as defined in Section 462C.02 Subd 9, clause (e).
- (c) For purposes of the requirements of paragraph (a), the authority may elect to treat an addition to an existing structure as a separate building if:
  - (1) construction of the addition begins more than three years after construction of the existing structure was completed; and
  - (2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it is treated as a separate building, the addition was not contemplated by the tax increment financing plan which includes the existing structure.

#### Subd. 2. Owner occupied housing.

For owner occupied residential property, 95 percent of the housing units must be initially purchased and occupied by individuals whose family income is less than or equal to the income requirements for qualified mortgage bond projects under section 143(f) of the Internal Revenue Code.

#### Subd. 3. Rental property.

For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. The requirements of this subdivision apply for the duration of the tax increment financing district.

#### Subd. 4. Noncompliance; enforcement.

Failure to comply with the requirements of this section is subject to M.S., Section 469.1771.

*Minnesota Session Laws 2014, Chapter 308, Article 6, Section 8, Sudb. 2: Subdivision 2. Rules governing districts.* 

- (a) Housing districts established under this section are subject to the provisions of Minnesota Statutes, sections 469.174 to 469.1794, except as otherwise provided in this subdivision.
- (b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, no increment must be paid to the authority after 20 years after receipt by the authority of the first increment from a district established under this section.
- (c) Notwithstanding the provisions of Minnesota Statutes, section 469.1761, subdivision 3, for a residential rental project, the city may elect to substitute "20 percent" for "40 percent" in the 40-60 test under section 142(d)(1)(B) of the Internal Revenue Code in determining the applicable income limits.
- (d) The provisions of Minnesota Statutes, section 469.1761, subdivision 3, apply for a 25-year period beginning on the date of certification of the district.

In meeting the statutory criteria of the TIF Act, the HRA and City rely on the following facts and findings:

- The District consists of two parcels.
- The development will consist of a mixed-use development primarily including 301 units of multifamily rental housing, 10 units of owner-occupied town homes and 28,100 square feet of retail.

• No more than 20% of the square footage of buildings that receive assistance from tax increment will consist of commercial, retail, or other nonresidential uses.

In meeting the criteria of the Edina Affordable Housing Act, the HRA and City rely on the following facts and findings:

• At least 20% of the residential units of the buildings assisted with tax increment will be occupied by households earning annual incomes at 60% or less of area median income.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114* or *Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

#### Subsection 2-7. Duration and First Year of Tax Increment of the District

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to the Edina Affordable Housing Act, the duration of the District will be 20 years after receipt of the first increment by the HRA or City (a total of 21 years of tax increment). The HRA or City elects to receive the first tax increment in 2023, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2043, or when the TIF Plan is satisfied. The HRA or City reserves the right to decertify the District prior to the legally required date.

## Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity Value/Increment and Notification of Prior Planned Improvements

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2018 for taxes payable 2019.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2021 the amount by which the original value has increased or decreased as a result of:

- 1. Change in tax exempt status of property;
- 2. Reduction or enlargement of the geographic boundaries of the district;
- 3. Change due to adjustments, negotiated or court-ordered abatements;
- 4. Change in the use of the property and classification;
- 5. Change in state law governing class rates; or
- 6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the HRA or City.

The original local tax rate for the District will be the local tax rate for taxes payable 2019, assuming the request for certification is made before June 30, 2019. The estimated ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Southeast Edina Redevelopment Project Area, upon completion of the project within the District, will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2023. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$1,546,944	
Original Estimated Net Tax Capacity (ONTC)	\$168,986	
Fiscal Disparities	<u>\$61,349</u>	
Estimated Captured Tax Capacity (CTC)	\$1,316,609	
Original Local Tax Rate	1.09663	Pay 2019
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$1,443,833	
Percent Retained by the HRA	100%	

Tax capacity includes a 1.0% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 21. The tax capacity of the District in year one is estimated to be \$1,163,925.

Pursuant to *M.S., Section 469.177, Subd. 4*, the HRA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

## The City has reviewed the area to be included in the District and determined no building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

#### Subsection 2-9. Budgeted Sources of Revenue/Bonds to be Issued

The total estimated tax increment revenues for the District are calculated in Appendix D and are shown in the table below:

SOURCES OF FUNDS	TOTAL
Tax Increment	\$27,065,561
Interest	<u>\$1,344,572</u>
TOTAL	\$28,410,133

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA or City reserves the right to incur bonds or other indebtedness to help achieve the

objectives of the TIF Plan. As currently proposed, the projects within the District will be financed by a payas-you-go note issued to reimburse the Developer for the funding of qualified affordable housing costs. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The HRA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$17,675,232. Such bonds may be in the form of pay-asyou-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval. Further information can be found in Appendix D.

#### Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the redevelopment of two substandard office buildings and construction of a new mixed-use development that includes approximately 301 units of multifamily rental housing, ten units of owner-occupied townhomes and 28,100 square feet of retail. The HRA and City have determined that it will be necessary to provide assistance to the project for certain District costs, as described.

The HRA has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the table below. These estimates establish the maximum amount permitted to be expended, but the City/HRA is not obligated to expend the full amount.

USES OF TAX INCREMENT FUNDS	TOTAL
Land / Building Acquisition	\$1,070,000
Site Improvements/Preparation	\$3,235,200
Utilities	\$1,790,000
Construction of Affordable Housing	\$5,350,000
Other Qualifying Improvements	\$3,523,476
Administrative Costs (up to 10%)	<u>\$2,706,556</u>
PROJECT COST TOTAL	\$17,675,232
Interest	<u>\$10,734,901</u>
PROJECT AND INTEREST COSTS TOTAL	\$28,410,133

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in Subsection 2-9.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan as permitted by *M.S. Section 469.175, Subd. 4*. The cost of all activities to be considered

for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S. Section 469.1763, Subd. 2*, the HRA may expend funds for qualified housing activities outside of the District boundaries.

#### Subsection 2-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities. If the calculations pursuant to *M.S., Section 469.177, Subd. 3, clause b*, (within the District) are followed, the following method of computation shall apply:

- (1) The original net tax capacity shall be determined before the application of the fiscal disparity provisions of Chapter 276A or 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to M.S., Section 276A.06, subdivision 7 or M.S., Section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured tax capacity and no tax increment determination. Where the original tax capacity is less than the current tax capacity, the difference between the original net tax capacity and the current net tax capacity. This amount less any portion thereof which the authority has designated, in its tax increment financing plan, to share with the local taxing districts is the retained captured net tax capacity of the authority.
- (2) The county auditor shall exclude the retained captured net tax capacity of the authority from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the retained captured net tax capacity of the authority as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the less of (A) the local taxing district tax rates or (B) the original local tax rate to the retained captured net tax capacity of the authority is the tax increment of the authority.

#### The City will choose to calculate fiscal disparities by clause b.

According to M.S., Section 469.177, Subd. 3:

(c) The method of computation of tax increment applied to a district pursuant to paragraph (a) or (b) shall remain the same for the duration of the district, except that the governing body may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).

#### Subsection 2-12. Business Subsidies

*M.S. Section 116J.993 to 116J.995* defines a business subsidy as a "grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease or other obligation, or any preferential use of government facilities given to a business." Also included in the definition are many forms of economic assistance. Some forms of assistance, such as tax increment for redevelopment and housing, are specifically excluded from business subsidy requirements. Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

- (1) A business subsidy of less than \$150,000;
- (2) Assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of business, size, location, or similar general criteria;
- (3) Public improvements to buildings or lands owned by the state or local government that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
- (4) Redevelopment property polluted by contaminants as defined in *M.S., Section 116J.552, Subd. 3;*
- (5) Assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance provided for designated historic preservation districts, provided that the assistance is equal to or less than 50% of the total cost;
- (6) Assistance to provide job readiness and training services if the sole purpose of the assistance is to provide those services;
- (7) Assistance for housing;
- (8) Assistance for pollution control or abatement, including assistance for a tax increment financing hazardous substance subdistrict as defined under *M.S., Section 469.174, Subd. 23*;
- (9) Assistance for energy conservation;
- (10) Tax reductions resulting from conformity with federal tax law;
- (11) Workers' compensation and unemployment compensation;
- (12) Benefits derived from regulation;
- (13) Indirect benefits derived from assistance to educational institutions;
- (14) Funds from bonds allocated under chapter 474A, bonds issued to refund outstanding bonds, and bonds issued for the benefit of an organization described in section 501 (c) (3) of the Internal Revenue Code of 1986, as amended through December 31, 1999;
- (15) Assistance for a collaboration between a Minnesota higher education institution and a business;
- (16) Assistance for a tax increment financing soils condition district as defined under *M.S., Section* 469.174, Subd. 19;
- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

The HRA will comply with *M.S., Sections 116J.993 to 116J.995* to the extent the tax increment assistance under this TIF Plan does not fall under any of the above exemptions.

#### Subsection 2-13. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the HRA or City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of

road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

The county roads in the vicinity of the District include France Avenue (County Road 17). The HRA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing. If the county elects to use increments to improve county roads, it must notify the HRA or City within forty-five days of receipt of the TIF Plan submitted February 15, 2019. In the opinion of the HRA, City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads.

#### Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the HRA or City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0.

The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

	IMPACT ON TAX BASE	E IF "BUT FOR	NOT MET	
	2018/ Pay 2019 Total Net <u>Tax Capacity</u>	Tax Capac	ity (CTC)	Percent of CTC <u>to Entity Total</u>
Hennepin County	1,817,980,86	8	1,316,609	0.0724%
City of Edina	132,609,31	4	1,316,609	0.9928%
Edina ISD No. 273	109,864,92	4	1,316,609	1.1984%
	IMPACT ON TAX RATE Pay 2019	S IF "BUT FOI	<u>R" NOT ME</u>	Γ
	Extension	Percent		Potential
	<u>Rates</u>	of Total Rate	<u>CTC</u>	Annual Taxes
Hennepin County	0.418610	38.17%	1,316,60	9 551,146
City of Edina	0.274990	25.08%	1,316,60	9 362,054
Edina ISD No. 273	0.305890	27.89%	1,316,60	9 402,737
Other	0.097140	8.86%	<u>1,316,60</u>	<u>9</u> <u>127,895</u>

The estimates listed above display the captured tax capacity (CTC) when all construction anticipated in Appendix A is completed. The tax rate used for calculations is the Pay 2019 rate as obtained from Hennepin County. The total net tax capacity for the entities listed above are based on Pay 2019 figures provided by Hennepin County. The District will be certified under the actual Pay 2019 rates assuming the request for certification is made prior to June 30, 2019.

100.00%

Total

1.096630

1,443,833

#### Pursuant to M.S. Section 469.175 Subd. 2(b):

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$27,065,561;
- (2) Probable impact of the District on city provided services and ability to issue debt. Based upon input from the Edina Police Department, an impact of the District on police protection is not expected. The City Police Department does track all calls for service including property-type calls and crimes. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment.

Based upon input from the Edina Fire Department, the probable impact of the District on fire protection is not expected to be significant. The City Fire Department expects some increased costs of inspections and that the development will generate a minor increase in EMS calls. Typically new buildings compliant with building and fire codes generate few fire calls, if any, and are of superior construction beneficial to the mission of the Fire Department.

Based upon input from the Edina Engineering Department, the impact of the District on public infrastructure is expected to be minimal. The developer will include improvements to  $72^{nd}$  Street as part of the development, but it is not expected to require additional public infrastructure to address its impact to traffic and pedestrian movement in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development, but the City is exploring the cost effectiveness of adding utility replacements in conjunction with the  $72^{nd}$  street improvements. Based on the development plans, costs associated with street maintenance, sweeping, plowing, lighting and sidewalks are expected to be neutral.

It is not anticipated that there will be any general obligation debt issued in relation to this District, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. M.S. Section 469.175 Subd. 2(b) requires the TIF Plan to calculate "the estimated amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for a taxing jurisdiction remained the same." The amount of tax increments over the life of the school district's share of the total local tax rate for all tax rate for all taxing jurisdictions remained the same, is \$7,548,585;. The amount is calculated by multiplying the total estimated increment of \$27,065,561 by the percent of the proportionate share of the total tax rate of 27.89%.
- (4) Estimated amount of tax increment attributable to county levies. M.S. Section 469.175 Subd. 2(b) requires the TIF Plan to calculate "the estimated amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for a taxing jurisdiction remained the same." The amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for a taxing jurisdiction remained the same." The amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$10,330,925;. The amount is calculated by multiplying the total estimated increment of \$27,065,561 by the percent of the proportionate share of the total tax rate of 38.17%.

(5) <u>Additional information requested by the county or school district.</u> The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S. Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

At this time, no requests for additional information from the county or school district regarding the proposed development for the District have been received.

#### Subsection 2-15. Supporting Documentation

Pursuant to *M.S. Section 469.175, Subd. 1 (a), clause 7* the TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S. Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District. Following is a list of reports and studies on file at the City that support the HRA and City's findings:

• Resolution Nos. 2018-116 and 2018-117 granting preliminary rezoning and site plan approvals December 4, 2018.

#### Subsection 2-16. Definition of Tax Increment Revenues

Pursuant to *M.S., Section 469.174, Subd. 25*, tax increment revenues derived from a tax increment financing district include all of the following potential revenue sources:

- 1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S.*, Section 469.177;
- 2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the authority with tax increments;
- 3. Principal and interest received on loans or other advances made by the authority with tax increments;
- 4. Interest or other investment earnings on or from tax increments;
- 5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and

#### Subsection 2-17. Modifications to the District

In accordance with M.S., Section 469.175, Subd. 4, any:

- 1. Reduction or enlargement of the geographic area of the District, if the reduction does not meet the requirements of M.S., Section 469.175, Subd. 4(e);
- 2. Increase in amount of bonded indebtedness to be incurred;
- 3. A determination to capitalize interest on debt if that determination was not a part of the original TIF Plan;
- 4. Increase in the portion of the captured net tax capacity to be retained by the HRA or City;
- 5. Increase in the estimate of the cost of the District, including administrative expenses, that will be paid or financed with tax increment from the District; or
- 6. Designation of additional property to be acquired by the HRA or City,

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan.

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a housing district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 11* must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District. The HRA or City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

#### Subsection 2-18. Administrative Expenses

In accordance with *M.S., Section 469.174, Subd. 14,* administrative expenses means all expenditures of the HRA or City, *other than*:

- 1. Amounts paid for the purchase of land;
- 2. Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;
- 3. Relocation benefits paid to or services provided for persons residing or businesses located in the District;
- 4. Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to M.S., Section 469.178; or
- 5. Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).

Administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. For districts for which certification was requested after July 31, 2001, pursuant to *M.S. Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for District up to but not to exceed ten percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

Pursuant to M.S., Section 469.176, Subd. 4h, tax increments may be used to pay for the County's actual administrative expenses incurred in connection with the District and are not subject to the percentage limits of M.S., Section 469.176, Subd. 3. The county may require payment of those expenses by February 15 of the year following the year the expenses were incurred.

Pursuant to *M.S., Section 469. 177, Subd. 11*, the County Treasurer shall deduct an amount (currently 0.36 percent) of any increment distributed to the HRA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in an account in the special revenue fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

#### Subsection 2-19. Limitation of Increment

The tax increment pledged to the payment of bonds and interest thereon may be discharged and the District may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or redemption date.

Pursuant to M.S., Section 469.176, Subd. 6:

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2)relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The HRA or City or a property owner must improve parcels within the District by approximately June 2023 and report such actions to the County Auditor.

#### Subsection 2-20. Use of Tax Increment

The HRA or City hereby determines that it will use 100 percent of the captured net tax capacity of taxable property located in the District for the following purposes:

- 1. To pay the principal of and interest on bonds issued to finance a project;
- 2. to finance, or otherwise pay public redevelopment costs of the the Southeast Edina Redevelopment Project Area pursuant to *M.S., Sections* 469.001 to 469.047;
- 3. To pay for project costs as identified in the budget set forth in the TIF Plan;
- 4. To finance, or otherwise pay for other purposes as provided in M.S., Section 469.176, Subd. 4;
- 5. To pay principal and interest on any loans, advances or other payments made to or on behalf of the HRA or City or for the benefit of the Southeast Edina Redevelopment Project Area by a developer;
- 6. To finance or otherwise pay premiums and other costs for insurance or other security guaranteeing the payment when due of principal of and interest on bonds pursuant to the TIF Plan or pursuant to *M.S., Chapter 462C. M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and

7. To accumulate or maintain a reserve securing the payment when due of the principal and interest on the tax increment bonds or bonds issued pursuant to *M.S.*, *Chapter 462C*, *M.S.*, *Sections 469.152* through 469.165, and/or *M.S.*, *Sections 469.178*.

Revenues derived from tax increment from a housing district must be used solely to finance the cost of housing projects as defined in the TIF Act and Edina Affordable Housing Act. The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the HRA or City may be included in the cost of a housing project.

These revenues shall not be used to circumvent any levy limitations applicable to the City nor for other purposes prohibited by *M.S., Section 469.176, Subd. 4.* 

Tax increments generated in the District will be paid by Hennepin County to the HRA for the Tax Increment Fund of said District. The HRA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse a portion of the project's qualifying costs for land acquisition, public improvements, demolition and relocation, site preparation, or administration. Remaining increment funds will be used for HRA or City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

#### Subsection 2-21. Excess Increments

Excess increments, as defined in *M.S., Section 469.176, Subd. 2*, shall be used only to do one or more of the following:

- 1. Prepay any outstanding bonds;
- 2. Discharge the pledge of tax increment for any outstanding bonds;
- 3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or
- 4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

Pursuant to M.S. Section 469.176, Subd. 2, "The authority shall annually determine the amount of excess increments for a district, if any. This determination must be based on the tax increment financing plan in effect on December 31 of the year and the increment and other revenues received as of December 31 of the year. The authority must sped or return the excess increments under paragraph (c) within nine months after the end of the year. The HRA or City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the HRA or City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in the Southeast Edina Redevelopment Project Area or the District.

#### Subsection 2-22. Requirements for Agreements with the Developer

The HRA or City will review any proposal for private development to determine its conformance with the Redevelopment Plan and with applicable municipal ordinances and codes. To facilitate this effort, the following documents may be requested for review and approval: site plan, construction, mechanical, and electrical system drawings, landscaping plan, grading and storm drainage plan, signage system plan, and any other drawings or narrative deemed necessary by the HRA or City to demonstrate the conformance of the development with City plans and ordinances. The HRA or City may also use the Agreements to address other issues related to the development.

Pursuant to *M.S., Section 469.176, Subd. 5*, no more than 10 percent, by acreage, of the property to be acquired in the project area as set forth in the TIF Plan shall at any time be owned by the HRA or City as a result of acquisition with the proceeds of bonds issued pursuant to *M.S., Section 469.178* to which tax increments from property acquired is pledged, unless prior to acquisition in excess of 10 percent of the acreage, the HRA or City concluded an agreement for the development of the property acquired and which provides recourse for the HRA or City should the development not be completed.

#### Subsection 2-23. Assessment Agreements

Pursuant to *M.S., Section 469.177, Subd. 8*, the HRA or City may enter into a written assessment agreement in recordable form with the developer of property within the District which establishes a minimum market value of the land and completed improvements for the duration of the District. The assessment agreement shall be presented to the County Assessor who shall review the plans and specifications for the improvements are to be constructed, review the market value previously assigned to the land upon which the improvements are to be constructed and, so long as the minimum market value contained in the assessment agreement appears, in the judgment of the assessor, to be a reasonable estimate, the County Assessor shall also certify the minimum market value agreement.

#### Subsection 2-24. Administration of the District

Administration of the District will be handled by the HRA Executive Director.

#### Subsection 2-25. Annual Disclosure Requirements

Pursuant to *M.S., Section 469.175, Subds. 5, 6, and 6b* the HRA or City must undertake financial reporting for all tax increment financing districts to the Office of the State Auditor, County Board and County Auditor on or before August 1 of each year. *M.S., Section 469.175, Subd. 5* also provides that an annual statement shall be published in a newspaper of general circulation in the City on or before August 15.

If the City fails to make a disclosure or submit a report containing the information required by *M.S., Section* 469.175 Subd. 5 and Subd. 6, the Office of the State Auditor will direct the County Auditor to withhold the distribution of tax increment from the District.

#### Subsection 2-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon HRA and City staff awareness of the feasibility of developing the project site(s) within the District.

#### Subsection 2-27. Other Limitations on the Use of Tax Increment

1. <u>General Limitations</u>. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay public redevelopment costs of the Southeast Edina Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit

of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Housing District Exceptions to Restriction on Pooling; Five Year Limit. Pursuant to M.S., Section 469.1763, (1) At least 80% of revenues derived from tax increments paid by properties in the District must be expended on Public Costs incurred within said district, and up to 20% of said tax increments may be spent on public costs incurred outside of the District but within the Southeast Edina Redevelopment Project Area; provided that in the case of a housing district, a housing project, as defined in M.S., Section 469.174, Subd. 11, is deemed to be an activity in the District, even if the expenditure occurred after five years.

#### Subsection 2-28. 72<sup>nd</sup> and France TIF District Summary

The Edina Housing and Redevelopment Authority is establishing the District to provide an impetus for residential development and provide safe and decent life cycle housing in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, telephone (651) 697-8500.

#### Appendix A

#### Project Description - 7200 / 7250 France Redevelopment

France Equities, LLC is proposing to redevelop a two-parcel site in the City consisting of two aging Class "C" and structurally substandard office buildings, one of which is vacant due to a condemned parking structure. Proposed is a mixed-use development consisting primarily of two buildings consisting of approximately 301 units of mixed income multifamily rental housing and 28,100 square feet of integrated retail accompanied by an adjacent ten units of owner-occupied town homes within the development. The development will be located at the intersection of 72<sup>nd</sup> Street and France Avenue and is intended to fulfill a portion of the City's identified goal to provide affordable housing options for those who live and work within the City.

The developer will demolish the buildings and condemned parking structure to clear the site for redevelopment. The development will include site water and sanitary sewer utility improvements, area storm water retention and improvements to 72<sup>nd</sup> Street. The development will also include approximately 540 below-grade structured parking stalls and 30 enclosed at-grade parking stalls, a portion of which will be designated as public parking. The developer will also dedicate a significant portion of the site under public easements to preserve a mature grove of trees and make available extensive public realm and streetscape improvements designed to be consistent with the goals of the Greater Southdale District Plan.

The proposed rental housing will be within two, 6-story mixed use buildings integrated with the structured parking element. The rental housing unit mix includes studio, one-bedroom, two-bedroom, and three-bedroom units. Sixty-two units of affordable housing are anticipated, all which will be rent and occupancy restricted to households earning at or below 60% of the Area Median Income (AMI). The affordable units will be distributed among the studio, one-bedroom and two-bedroom units and remain for a period of 25 years.

The estimated cost of developing the site, parking, and mixed-use elements is \$112 million. Site clearance is expected to occur in 2019 and new construction is expected to begin in 2020 with completion of the multifamily and retail buildings by 2023. Development of the for-sale town homes will occur on a subdivided portion of property connected to the below-grade parking structure with the foundation expected by 2022. The developer anticipates the vertical construction of the for-sale town homes is anticipated to occur over a five-year period ending in 2027.

The developer is pursuing grant assistance from Hennepin County, the Metropolitan Council and the Minnesota Department of Employment and Economic Development. The Edina HRA proposes to utilize tax increment to offset a portion of the project's identified financing gap. The HRA proposes to reimburse the developer for qualifying costs incurred in the development through the issuance of a \$12 million Pay-as-you-go TIF Note. The TIF Note would be payable over the course of 20 years only as new taxes are paid and increment is collected from within the district. The HRA and City would bear no obligation to use any other funds to pay the TIF Note.

# 7200 & 7250 FRANCE AVE

7200 FRANCE																2/26/2019	TOWNHOUSES	(OWNE	ED)													2/26/2019
UNIT TYPE	STUDIO	1B	1B+DI	N 2B	2B+	DEN 3	3B (F	TH RENTAL)	UNIT TOTAL	UNIT SF BY LEVEL	PARKING	CIRCULATION	AMENITY	<b>RETAIL A</b>	RETAIL B	TOTAL	UNIT TYPE	TH (OWNED)	-							UNIT SF BY LEVEL						
L1								14	14	11,480	15,738	3,881	2,813	5,758	6,186	45,856		10								12,500 12,500						
L2	ε	1	6	5	4				33	26,569		4,352	5,877			36,798		10								12,500						
L3	7	1.	4	10	3				34	27,147		4,189				31,336																
L4	7	1.	4	10	3				34	27,147		4,189				31,336	SF TOTAL									25,000			_			25,000
L5	7	1	4	10	3				34	27,147		4,189				31,336	AVERAGE UNIT AREA	2500				<del></del>				23,000		-	_			20,000
L6	5		4	10	3				22	18,175		3,741				21,916		FOOD														
MEZZ.																-																
UNIT TOTAL	34	6	1	46	16	0	0	14	171																							
SF TOTAL										137,665	15,738	24,541	8,690	5,758	6,186	198,578	7250 FRANCE													_		2/26/201
AVERAGE UNIT AREA	520	72	6	836 1.0	)28	1200	1300	749					,			,		STUDIO	1B	1B+DEN	2B	2B+DEN	3B	TH (RENTAL)	UNIT	UNIT SF BY	PARKING	CIRCULATION	AMENITY	RETAIL C	RETAIL D	
UNIT MIX	19.9%	35.79	6 26	.9% 9.	4%	0.0%	0.0%	8.20%	100.0%											, 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 1 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194 - 194				(RENTAL)	TOTAL	LEVEL						
8	2																1 14							٥	0	7.215	10.682	3.282	1 185	4.759	11.323	38.426

PARK	Floor	Use	GSF	Apts	TH Units	Park Spaces
	P2	Parking	105,267			270
	P1	Parking	105,267			270
	1	Parking				30
	Owner Townhome	Parking				20
TOTAL			210,534			590





D

<b>7250 FRANCE</b>															2/26/201
UNIT TYPE	STUDIO	1B	1B+DEN	2B	2B+DEN	3B	TH (RENTAL)	UNIT TOTAL	UNIT SF BY LEVEL	PARKING	CIRCULATION	AMENITY	RETAIL C	RETAIL D	
L1							8	8	7,215	10,682	3,282	1,165	4,759	11,323	38,42
12		7	4	6	1	1		19	18,542		3,380	7,286			29,20
L3	2	17	2	5	2			28	23,944		3,924				27,86
L4	2	17	2	5	2			28	23, <b>944</b>		3,924				27,86
L5	3	15	2	4	3			27	23,003		3,899				26,90
L6	4	5	3	7		1		20	17,813		3,551				21,36
MEZZ.															-
UNIT TOTAL	11	61	13	31	4	2	8	130							
SF TOTAL									114,461	10,682	21,960	8,451	4,759	11,323	171,636
AVERAGE UNIT AREA	526	706	855	1,054	1200	1,378	832								
UNIT MIX	8.5%	46.9%	10.0%	23.8%	3.1%	1.5%	6.2%	100.0%							

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## **CITY SUBMITTAL**

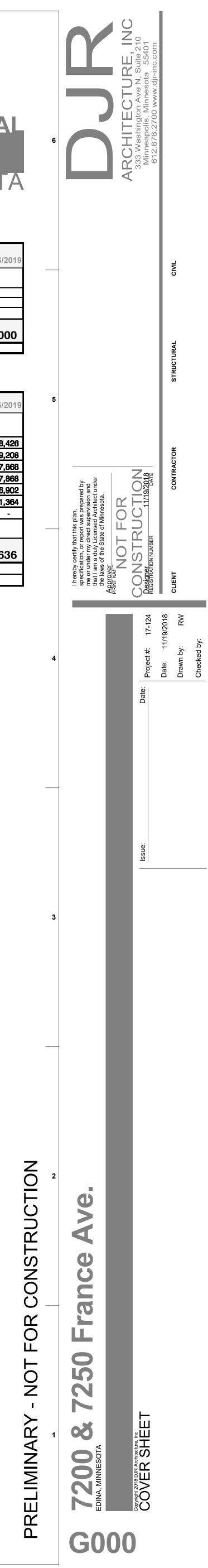
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# 7200-7250 FRANCE AVE. NORTH, EDINA, MINNESOTA

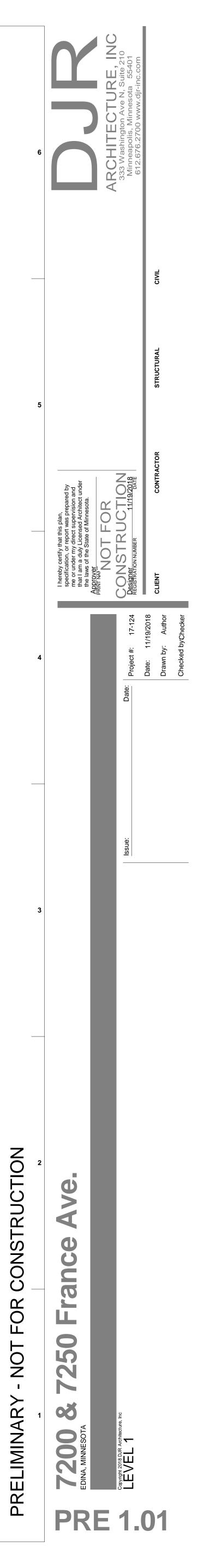
OWNER	
	France Equities, LLC 10296 182nd St. West Lakeville, MN 55044
ARCHIT	ЕСТ
	DJR Architecture, Inc. 333 Washington Avenue N Union Plaza, Suite 210 Minneapolis, MN 55401 Contact: Sheldon Berg, AIA LEED AP
	612.676.2700 612.676.2796 (fax) sberg@djr-inc.com
LANDS	CAPE
	Confluence 530 North Third Street, Suite 120 Minneapolis, MN 55401
	Contact: Brad Aldrich, PLA LEED AP BD+C, ASLA 612.333.3702 X503 BAldrich@thinkconfluence.com
CIVIL	
	Civil Site Group 4931 W. 35th Street, Suite 200 St. Louis Park, MN 55416
	Contact: David Knaeble, PE. 763.234.7523 Dknaeble@civilsitegroup.com

	SHEET INDEX
PRE 1.00	LEVELS P1 & P2
PRE 1.01	LEVEL 1
PRE 1.02	LEVEL 2
PRE 1.03	LEVEL 3
PRE 1.04	LEVEL 4
PRE 1.05	LEVEL 5
PRE 1.06	LEVEL 6
PRE 1.07	LEVEL 7
PRE 2.00	EXTERIOR ELEVATIONS - 7200
PRE 2.01	EXTERIOR ELEVATIONS - 7250
PRE A200	EXTERIOR ELEVATIONS - TOWNHOMES

PARKING	
	SPACES
LEVEL P2	270
LEVEL P1	270
TOWNHOMES (LEVEL P1)	20
7200 (LEVEL 1)	16
7250 (LEVEL 1)	14
т	OTAL 590



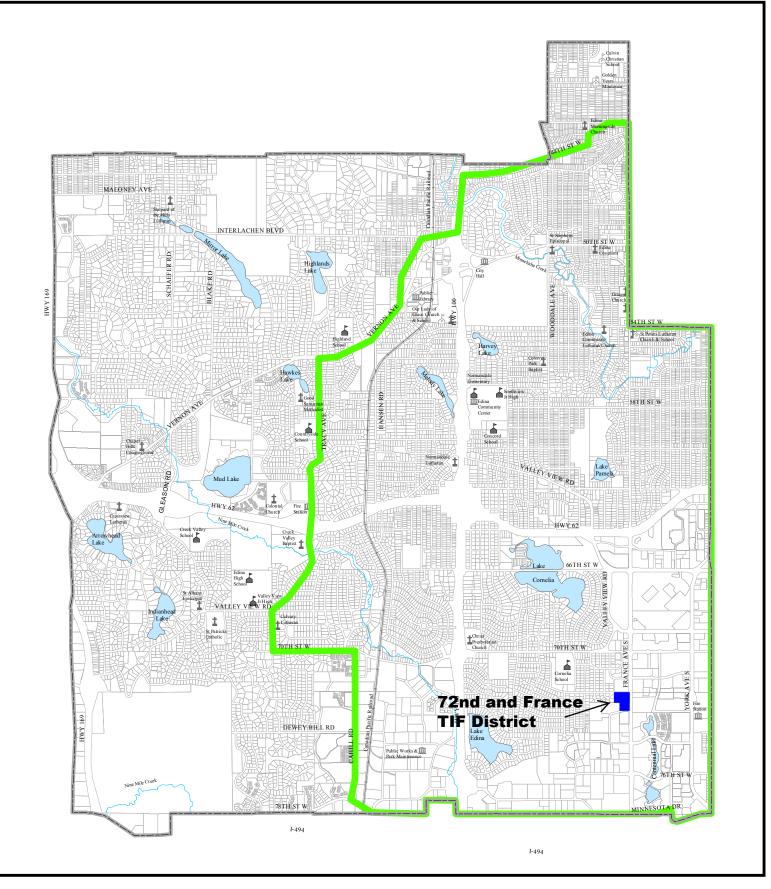




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#### Appendix B

Map of the Southeast Edina Redevelopment Project Area and the District



## 72nd and France TIF District





## 72nd and France TIF District

Southeast Edina Redevelopment Project Area

Engineering Dept. September 2018



### 72nd and France TIF District







### Appendix C

#### Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcels listed below.

Parcel Numbers	Address	Owner
31-028-24-14-0001	7200 France Ave.	France Equities II LLC
31-028-24-14-0015	7250 France Ave.	France Equities LLC

#### Appendix D

Estimated Cash Flow for the District



Mixed-use: 301 unit Mixed-income Rental Housing, 28,100 rsf Commercial, and 10-unit townhome development

#### ASSUMPTIONS AND RATES

DistrictType: District Name/Number:	ISD 273	Housing	
County District #: First Year Construction or Inflati	ion on Value	2021	
Existing District - Specify No. Y	ears Remaining		
Inflation Rate - Every Year:	-	1.0%	
Interest Rate:		5.50%	
Present Value Date:		1-Aug-22	
First Period Ending		1-Feb-23	
Tax Year District was Certified:		Pay 2019	
Cashflow Assumes First Tax Incre	ment For Development:	2023	
Years of Tax Increment		21	
Assumes Last Year of Tax Increme	ent	2043	
Fiscal Disparities Election [Outside	e (A), Inside (B), or NA]	Inside(B)	
Incremental or Total Fiscal Dispari	ties	Incremental	
Fiscal Disparities Contribution Rat	io	33.3863%	Pay 2019
Fiscal Disparities Metro-Wide Tax	Rate	143.9920%	Pay 2019
Maximum/Frozen Local Tax Rate:		109.663%	Pay 2019
Current Local Tax Rate: (Use less	er of Current or Max.)	109.663%	Pay 2019
State-wide Tax Rate (Comm./Ind.	only used for total taxes)	42.4160%	Pay 2019
Market Value Tax Rate (Used for t	otal taxes)	0.21038%	Pay 2019

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	0.0070
First \$150.000	1.50%
Over \$150.000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$139,000	0.75%
Over \$139,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
First \$500,000	1.00%
Over \$500,000	1.25%
Agricultural Non-Homestead	1.00%

	BASE VALUE INFORMATION (Original Tax Capacity)													
					Building	Total	Percentage		Tax Year	Property	Current	Class	After	
				Land	Market	Market	Of Value Used	Original	Original	Tax	Original	After	Conversion	Area/
Map I	o Pid	Owner	Address	Market Value	Value	Value	for District	Market Value	Market Value	Class	Tax Capacity	Conversion	Orig. Tax Cap.	Phase
	31-028-24-14-0001		7200 France	6,568,300	1,000	6,569,300	100%	6,569,300	Pay 2019	C/I Pref.	130,636	Rental	82,116	
	31-028-24-14-0015		7250 France	4,380,000	1,000	4,381,000	100%	100% 4,381,000		C/I Pref.	86,870	C/I Pref.	86,870	
				10,948,300	2,000	10,950,300		10,950,300			217,506		168,986	

#### Note:

1. Base values are for pay 2019 based upon review of County website on 1.4.2019. Pay 2019 tax rates provided by Hennepin County.



City of Edina, MN

Mixed-use: 301 unit Mixed-income Rental Housing, 28,100 rsf Commercial, and 10-unit townhome development

	PROJECT INFORMATION (Project Tax Capacity)												
		Estimated	Taxable		Total Taxable	Property			Percentage	Percentage	Percentage	Percentage	First Year
Area/Phase	New Use	Market Value Per Sq. Ft./Unit	Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Market Value	Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Completed 2021	Completed 2022	Completed 2023	Completed 2024	Full Taxes Payable
7200	Apartments	250,000	250,000	171	42,750,000	Rental	534,375	3,125	100%	100%	100%	100%	2023
7200	Retail	400	400	12,000	4,800,000	C/I Pref.	95,250	8	100%	100%	100%	100%	2023
7250	Apartments	250,000	250,000	130	32,500,000	Rental	406,250	3,125	100%	100%	100%	100%	2023
7250	Retail	400	400	16,100	6,440,000	C/I Pref.	128,050	8	100%	100%	100%	100%	2023
Pad	Townhouses	1,000,000	1,000,000	10	10,000,000	Hmstd. Res.	112,500	11,250	0%	100%	100%	100%	2024
TOTAL					96,490,000		1,276,425						
Subtotal Reside	ential			311	85,250,000		1,053,125						
Subtotal Comm	ercial/Ind.			28,100	11,240,000		223,300						

Note:

1. Apartment and Retail market values are based upon estimates from comparable property and preliminary review from the City of Edina Assessor's office. Townhome market values assume estimates for ten owner-occupied units.

				TAX CAL	CULATIONS				
	Total	Fiscal	Local	Local	Fiscal	State-wide	Market		
	Tax	Disparities	Tax	Property	Disparities	Property	Value	Total	Taxes Per
New Use	Capacity	Tax Capacity	Capacity	Taxes	Taxes	Taxes	Taxes	Taxes	Sq. Ft./Unit
Apartments	534,375	0	534,375	586,012	0	0	89,937	675,949	3,952.92
Retail	95,250	31,800	63,450	69,581	45,790	39,765	10,098	165,234	13.77
Apartments	406,250	0	406,250	445,506	0	0	68,374	513,879	3,952.92
Retail	128,050	42,751	85,299	93,541	61,558	53,677	13,548	222,325	13.81
Townhouses	112,500	0	112,500	123,371	0	0	21,038	144,409	14,440.89
TOTAL	1,276,425	74,552	1,201,873	1,318,010	107,348	93,442	202,996	1,721,797	

Note:

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED	FROM TIF?
Total Property Taxes	1,721,797
less State-wide Taxes	(93,442)
less Fiscal Disp. Adj.	(107,348)
less Market Value Taxes	(202,996)
less Base Value Taxes	(153,510)
Annual Gross TIF	1,164,500



Mixed-use: 301 unit Mixed-income Rental Housing, 28,100 rsf Commercial, and 10-unit townhome development

						TAX INCR	EMENT CA	SH FLOW						
	Project	Original	Fiscal	Captured	Local	Annual	Semi-Annual	State	Admin.	Semi-Annual	Semi-Annual	PERIOD		
% of	Тах	Тах	Disparities	Тах	Тах	Gross Tax	Gross Tax	Auditor	at	Net Tax	Present	ENDING	Тах	Payment
OTC	Capacity	Capacity	Incremental	Capacity	Rate	Increment	Increment	0.36%	10%	Increment	Value	Yrs.	Year	Date
100%	1,163,925	(168,986)	(45,549)	949,390	109.663%	1,041,129	- 520,565	- (1,874)	- (51,869)	- 466,822	442,168	0.5	2023	02/01/23 08/01/23
10070	1,100,920	(100,300)	(40,040)	343,330	103.00378	1,041,123	520,565	(1,874)	(51,869)	466,822	872,502	0.5	2023	
100%	1,287,715	(168,986)	(46,272)	1,072,457	109.663%	1,176,088	588,044	(2,117)	(58,593)	527,334	1,345,608	1.5	2024	08/01/24
							588,044	(2,117)	(58,593)	527,334	1,806,052	2	2024	02/01/25
100%	1,300,206	(168,986)	(47,002)	1,084,217	109.663%	1,188,985	594,493	(2,140)	(59,235)	533,117	2,259,087	2.5	2025	
							594,493	(2,140)	(59,235)	533,117	2,699,997	3	2025	
100%	1,312,818	(168,986)	(47,739)	1,096,092	109.663%	1,202,008	601,004	(2,164)	(59,884)	538,956	3,133,806	3.5	2026	
100%	1 225 552	(4.69, 0.96)	(40,440)	1 100 1 10	100 6630/	1 015 000	601,004 607,614	(2,164)	(59,884) (60,543)	538,956 544,884	3,556,005	4	2026 2027	02/01/27 08/01/27
100%	1,325,552	(168,986)	(48,418)	1,108,148	109.663%	1,215,228	607,614	(2,187) (2,187)	(60,543)	544,884 544,884	3,971,424 4,375,724	4.5 5	2027	08/01/27
100%	1,338,410	(168,986)	(49,169)	1,120,255	109.663%	1,228,505	614,252	(2,107)	(61,204)	550,837	4,773,502	5.5	2027	
10070	1,000,110	(100,000)	(10,100)	1,120,200	100.00070	1,220,000	614,252	(2,211)	(61,204)	550,837	5,160,634	6.0	2028	
100%	1,351,393	(168,986)	(49,928)	1,132,479	109.663%	1,241,910	620,955	(2,235)	(61,872)	556,848	5,541,517	6.5	2029	
							620,955	(2,235)	(61,872)	556,848	5,912,205	7	2029	02/01/30
100%	1,364,501	(168,986)	(50,693)	1,144,822	109.663%	1,255,446	627,723	(2,260)	(62,546)	562,917	6,276,904	7.5	2030	08/01/30
							627,723	(2,260)	(62,546)	562,917	6,631,843	8	2030	
100%	1,377,737	(168,986)	(51,466)	1,157,284	109.663%	1,269,113	634,556	(2,284)	(63,227)	569,045	6,981,042	8.5	2031	08/01/31
4000/	4 004 404	(4.00,000)	(50.047)	4 4 6 0 0 6 0	400.0000/	4 000 040	634,556	(2,284)	(63,227)	569,045	7,320,896	9	2031	02/01/32
100%	1,391,101	(168,986)	(52,247)	1,169,868	109.663%	1,282,912	641,456 641,456	(2,309) (2,309)	(63,915) (63,915)	575,232 575,232	7,655,250 7,980,655	9.5 10	2032 2032	
100%	1,404,595	(168,986)	(53,035)	1,182,573	109.663%	1,296,846	648,423	(2,309)	(64,609)	575,252	8,300,791	10.5	2032	
10070	1,404,555	(100,300)	(55,055)	1,102,575	103.00378	1,230,040	648,423	(2,334)	(64,609)	581,480	8,612,359	10.0	2033	
100%	1,418,219	(168,986)	(53,831)	1,195,402	109.663%	1,310,914	655,457	(2,360)	(65,310)	587,788	8,918,877	11.5	2034	08/01/34
	, ., .	(,,	(	,, -		,,-	655,457	(2,360)	(65,310)	587,788	9,217,192	12	2034	02/01/35
100%	1,431,976	(168,986)	(54,634)	1,208,355	109.663%	1,325,119	662,559	(2,385)	(66,017)	594,157	9,510,668	12.5	2035	
							662,559	(2,385)	(66,017)	594,157	9,796,290	13	2035	
100%	1,445,866	(168,986)	(55,445)	1,221,434	109.663%	1,339,462	669,731	(2,411)	(66,732)	600,588	10,077,277	13.5	2036	
4000/	4 450 004	(400.000)	(50.005)	4 00 4 0 40	400.0000/	4 050 040	669,731	(2,411)	(66,732)	600,588	10,350,743	14	2036	
100%	1,459,891	(168,986)	(56,265)	1,234,640	109.663%	1,353,943	676,972	(2,437)	(67,453)	607,081	10,619,767	14.5	2037	08/01/37
							676,972	(2,437)	(67,453)	607,081	10,881,591	15	2037	02/01/38
100%	1,474,052	(168,986)	(57,092)	1,247,974	109.663%	1,368,566	684,283	(2,463)	(68,182)	613,637	11,139,160	15.5	2038	08/01/38
							684,283	(2,463)	(68,182)	613,637	11,389,836	16	2038	02/01/39
100%	1,488,350	(168,986)	(57,927)	1,261,437	109.663%	1,383,330	691,665	(2,490)	(68,917)	620,257	11,636,434	16.5	2039	08/01/39
		. ,	. ,				691,665	(2,490)	(68,917)	620,257	11,876,432	17	2039	02/01/40
100%	1,502,787	(168,986)	(58,770)	1,275,031	109.663%	1,398,237	699,119	(2,517)	(69,660)	626,942	12,112,524	17.5	2040	08/01/40
		. ,	. ,				699,119	(2,517)	(69,660)	626,942	12,342,297	18	2040	02/01/41
100%	1,517,364	(168,986)	(59,621)	1,288,757	109.663%	1,413,289	706,645	(2,544)	(70,410)	633,691	12,568,328	18.5	2041	08/01/41
		. ,	. ,				706,645	(2,544)	(70,410)	633,691	12,788,309	19	2041	02/01/42
100%	1,532,083	(168,986)	(60,481)	1,302,615	109.663%	1,428,487	714,244	(2,571)	(71,167)	640,505	13,004,705	19.5	2042	08/01/42
		,	,				714,244	(2,571)	(71,167)	640,505	13,215,310	20	2042	02/01/43
100%	1,546,944	(168,986)	(61,349)	1,316,609	109.663%	1,443,832	721,916	(2,599)	(71,932)	647,386	13,422,479	20.5	2043	08/01/43
							721,916	(2,599)	(71,932)	647,386	13,624,104	21	2043	02/01/44
	Total						27,163,349	(97,788)	(2,706,556)	24,359,005			_	
	Pr	esent Value Fro	om 08/01/2022	Present Value Rate	5.50%		15,192,587	(54,693)	(1,513,789)	13,624,104				

#### Appendix E

#### Housing Qualifications for the District

In meeting the criteria of the TIF Act and Edina Affordable Housing Act, at least 20% of the residential units will be occupied by individuals with incomes is 60% or less of area median income.

Income Restrictions- Adjusted for Family Size (Housing District) - Hennepin County Hennepin County Median Income: \$94,300								
No. of Persons	60% of Median Income							
1-person	\$39,660							
2-person	\$45,300							
3-person	\$50,940							
4-person	\$56,580							

Source: Department of Housing and Urban Development and Minnesota Housing Finance Agency

\*\*\*PLEASE NOTE: THESE NUMBERS ARE ADJUSTED ANNUALLY. ALL INCOME FIGURES REPORTED ON THIS PAGE ARE FOR 2018, THE MOST RECENT AVAILABLE.

#### Appendix F

#### Findings for the District

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for the 72<sup>nd</sup> and France Tax Increment Financing District as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. Finding that the 72<sup>nd</sup> and France Tax Increment Financing District is a housing district as defined in M.S., Section 469.174, Subdivision 11 and the Special TIF Housing Legislation.

The 72<sup>nd</sup> and France Tax Increment Financing District (the "District") consists of two parcels within the City's Southeast Edina Redevelopment Project Area. The portion of the development receiving assistance is proposed to be constructed as two mixed-use buildings containing approximately 301 units of rental housing and at least 20 percent of the units receiving assistance will have incomes at or below 60 percent of statewide median income. No more than 20% of the square footage of the buildings will consist of commercial, retail or other nonresidential uses. Appendices A and E of the TIF Plan contains background for the above finding.

2. Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

This finding is supported by the fact that the development proposed in the TIF Plan is a housing district that meets the City's objectives for redevelopment and is intended for occupancy by low and moderate-income persons. The existing property contains condemned structures whose renovation requires high costs related to demolition, remediation and reconstruction. The development also requires substantial investment toward public improvement such as local transportation and utility infrastructure and shared parking. Due to the high cost of building affordable new housing in the City, this project is feasible only through assistance, in part, from tax increment financing. At least 20% of the assisted housing units are intended to be both rent and income restricted, and affordable rental revenues alone are insufficient to make the project economically feasible without public assistance. The necessity of public assistance is true for most affordable housing developments in Minnesota.

The developer has provided the City its estimated project proforma outlining project source and uses as well as projected rent, vacancy and financing assumptions. City staff and the City's advisors reviewed the information and have determined the project is not feasible without assistance due to anticipated rent levels and market returns not supporting the development costs for this site.

3. Finding that the TIF Plan for the 72<sup>nd</sup> and France Tax Increment Financing District conforms to the general plan for the development or redevelopment of the municipality as a whole.

The Planning Commission reviewed the TIF Plan and approved Resolution 2019-01 that affirms that the TIF Plan conforms to the general development plan of the City.

4. Finding that the Tax Increment Financing Plan for the 72<sup>nd</sup> and France Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as

a whole, for the development of the Southeast Edina Redevelopment Project Area by private enterprise.

Through the implementation of the TIF Plan, the HRA and City will provide an impetus for residential development which is desirable and necessary for increased tax base of the State; the renovation of substandard property; addressing several of the goals and development principles identified within the City's Greater Southdale District Plan and other land use and development plans; meeting housing needs of people with a variety of incomes and provide housing that would otherwise not be available.

#### Appendix G

#### Special Legislation

#### Minnesota Session Laws – 2017, 1<sup>st</sup> Special Session Chapter 1 – HF No. 1, Article 6

Sec. 11. Laws 2014, chapter 308, article 6, section 8, subdivision 1, is amended to read:

Subdivision 1. Authority to create districts.

(a) The governing body of the city of Edina or its development authority may establish one or more tax increment financing housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries exist on March 31, 2014.

(b) The authority to request certification of districts under this section expires on June 30, 2017 December 31, 2019.

#### EFFECTIVE DATE.

This section is effective the day after the governing body of the city of Edina and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

#### Sec. 16. CITY OF EDINA; APPROVAL OF 2014 SPECIAL LAW.

Notwithstanding the provisions of Minnesota Statutes, section 645.021, subdivision 3, the chief clerical officer of the city of Edina may file with the secretary of state certificate of approval of Laws 2014, chapter 308, article 6, section 8, by December 31, 2016, and, if the certificate is so filed and the requirements of Minnesota Statutes, section 645.021, subdivision 3, are otherwise complied with, the special law is deemed approved, and all actions taken by the city before the effective date of this section in reliance on Laws 2014, chapter 308, article 6, section 8, are deemed consistent with Laws 2014, chapter 308, article 6, section 8, and this act.

#### EFFECTIVE DATE.

This section is effective the day following final enactment.

#### Minnesota Session Laws - 2014, Regular Session Chapter 308--HF No. 3167, Article 6

#### Sec. 8. CITY OF EDINA; TAX INCREMENT FINANCING.

#### Subdivision 1. Authority to create districts.

(a) The governing body of the city of Edina or its development authority may establish one or more tax increment financing housing districts in the Southeast Edina Redevelopment Project Area, as the boundaries exist on March 31, 2014.

(b) The authority to request certification of districts under this section expires on June 30, 2017.

#### Subd. 2. Rules governing districts.

(a) Housing districts established under this section are subject to the provisions of Minnesota Statutes, sections 469.174 to 469.1794, except as otherwise provided in this subdivision.(b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, no increment must be paid to the authority after 20 years after receipt by the authority of the first increment from a district established under this section.

(c) Notwithstanding the provisions of Minnesota Statutes, section 469.1761, subdivision 3, for

а

residential rental project, the city may elect to substitute "20 percent" for "40 percent" in the 40-60 test under section 142(d)(1)(B) of the Internal Revenue Code in determining the applicable income limits.

(d) The provisions of Minnesota Statutes, section 469.1761, subdivision 3, apply for a 25-year period beginning on the date of certification of the district.

#### Subd. 3. Pooling authority.

The city may elect to treat expenditures of increment from the Southdale 2 district for a housing project of a district established under this section as expenditures qualifying under Minnesota Statutes, section 469.1763, subdivision 2, paragraph (d): (1) without regard to whether the housing meets the requirement of a qualified building under section 42 of the Internal Revenue Code; and (2) may increase by an additional 25 percentage points the permitted amount of expenditures for activities located outside the geographic area of the district permitted under that section.

#### EFFECTIVE DATE.

This section is effective upon compliance by the governing body of the city of Edina with the requirements of Minnesota Statutes, section 645.021, subdivisions 2 and 3.

www.EdinaMN.gov



# **EDINA**

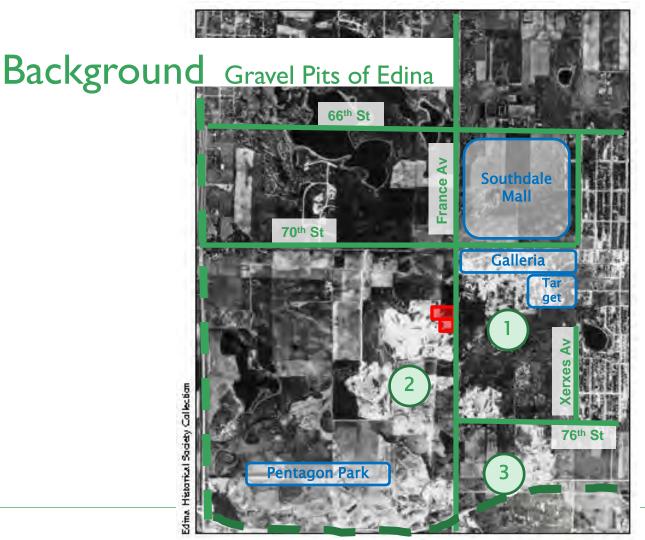
## Establishing the 72<sup>nd</sup> and France Tax Increment Financing District

March 19, 2019 Edina HRA March 19, 2019 Edina City Council

### Overview



- Background
- What is TIF
- TIF in Edina
- Summary of Proposal
  - Public Benefits
  - Financing Structure
- Recommended TIF Plan





The large white areas in this 1951 aerial photo shows how much of the Greater Southdale Area was originally used as gravel pits. 1) Glacier Sand and Gravel 2) Oscar Roberts Company 3) Hedberg and Sons

Source: Edina Historical Society as published in Winter 2016 *About Town* magazine

### Background Gravel Pits of Edina







### The Prestige Office Building

7250 France Ave Built 1972-74



**The Oscar Roberts Company** 7200 France Ave Built 1967-69

## Background - Current Conditions





# The CITY of EDINA

### 7200 France Ave.

- Class "C" office space
- Aging and outdated
- Property sold several times in recent years as developers struggled to find a solution to reposition the property to modern uses
- Only 5 tenants remain

### 7250 France Ave.

- Class "C" medical office space
- Not permitted to be occupied due to structural instability of underground parking structure
- Vacant No tenants remain

### Background - Current Conditions

steel angles and plates added to support deck above



Photo 36: 7250 Parking ramp temporary shoring



### The CITY of **EDINA**

#### 7250 France Ave.

Source: Stantec Consulting; Existing conditions report dated Feb. 6, 2019

### Background - 2015 Community Vision



"**Future-Oriented** ... We stand on the foundation of our traditions, but are not afraid to adapt and change as the city evolves." (page 5)

### "Transportation Options - ...

develop the sidewalk, trail and bike networks to improve accessibility and connectivity ..." (page 8)

### "Live and Work ...

promote the development of a mix of commercial amenities, including restaurants and cultural amenities, which ... can further act as connection points or hubs within the fabric of neighborhoods and development areas." (page 10)

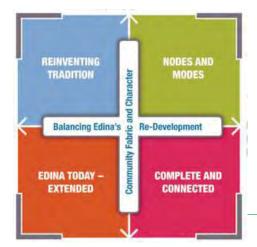
**Commercial Development**... promote the continued vitality of existing core retail zones (page 9)



# The CITY of EDINA

"Residential Development Mix ...

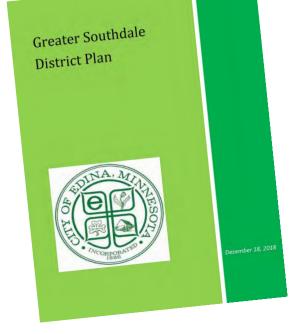
Continue to explore options for new multifamily housing throughout the city in mixeduse areas and near public spaces... create affordable housing options close to transit, shopping and employment centers " (page 7)



7

### Background - 2018 Small Area Plan





Small Area Plan approved Dec 2018

Recommended several design elements that the developer can deliver as part of the redevelopment:

- creation of north/south public route on the west side of France Ave.
- Generous set backs on public streets
- Limited height of new structures
- Quality architecture
- Create proper transition to adjacent neighbors

### What is TIF?



- Economic development financing tool
  - Used throughout the U.S.
- Governed by Minnesota Statute
  - modified each year to prevent misuse and remain relevant for community goals
- Enabled by City Council
- "Tax Increment" Financing uses growth in tax base to fund private investment and public infrastructure

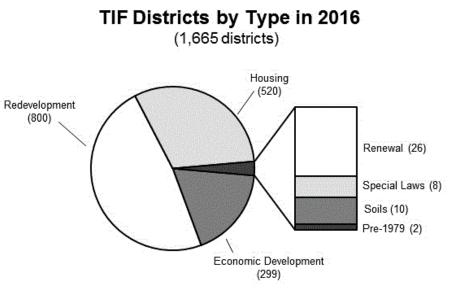
### Availability of Property Taxes to **Taxing Agencies** "Incremental Taxes" Remain Original + in TIF District Incremental **Taxes Available** to All **Original + Market** Value Taxes Available to All

9

### What is TIF?



Types of Districts	Duration Limit					
Economic Development	8 years					
Renewal and Renovation	15 years					
Edina Special Housing	20 years					
Soils Condition	20 years					
Housing	25 years					
Hazardous Substance	25 years					
Redevelopment	25 years					
Reference: MN House Research Dept						

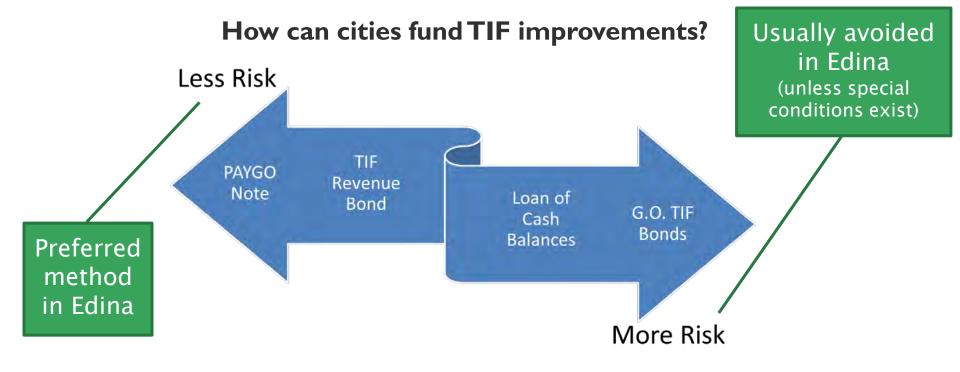


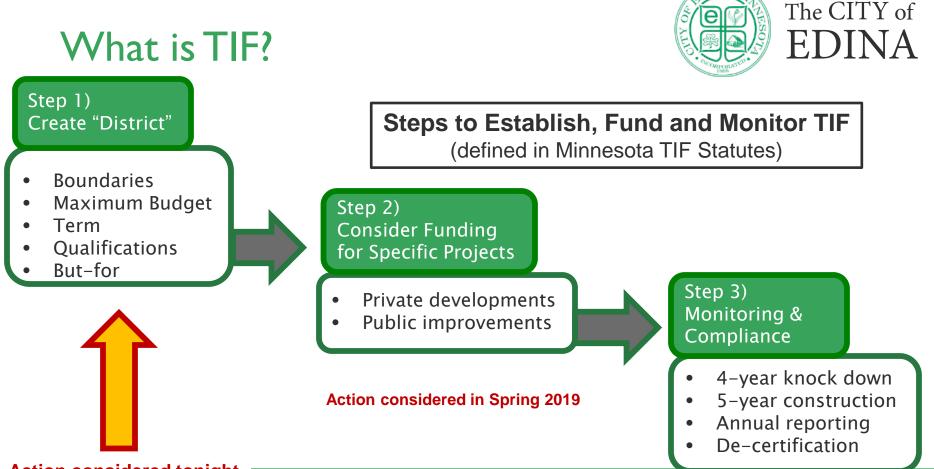
Source: 2018 Report of the State Auditor

### What is TIF?



# The CITY of EDINA





Action considered tonight

### What is TIF? ... The "but for" Test

### What is the "but-for" test?

Before creating a TIF district, a local government must find that in its opinion the development would not have happened *but for* the use of TIF (hence, the term "but-for" test).

### What is the purpose of this test?

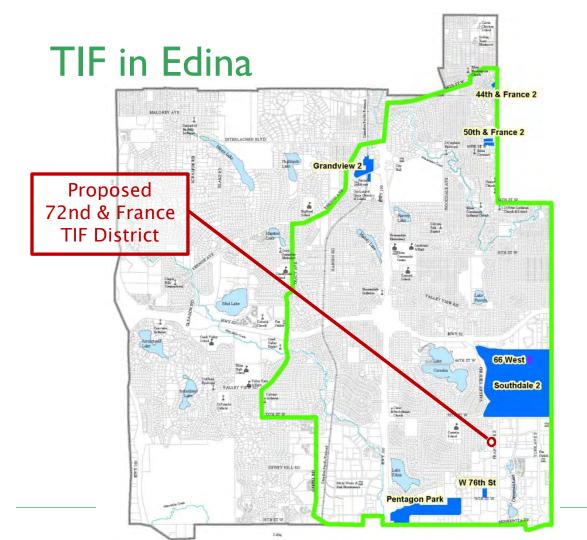
- To prevent excessive or unnecessary use of TIF If a development would have been done anyway, why should TIF be used to assist it?
- To protect the interests of overlapping governmental units (typically the county and school district). If authorities use TIF for developments that would be built anyway, TIF diverts potential tax revenue from the county and school to the development authority and city.

Source: Office of Legislative Auditor, *Tax Increment Financing* p. 42 (1986) – edited for brevity.



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Staff Note: this does not imply that NO project will be able to move forward, but that a project of the scale, scope and quality of that proposed will be able to move forward





Edina has used TIF financing since the 1970s.

Edina currently has 7 active TIF Districts:

- Southdale 2
- Pentagon Park
- 66 West
- Grandview 2
- 50<sup>th</sup> & France 2
- 44<sup>th</sup> & France 2
- 76<sup>th</sup> Street



# 522 Commercial Redevelopment NEW Projects since 2010







# Only 5 of 52 major projects since 2010 received pledges of Tax Increment

- 1) Southdale Center, 2012
- 2) 66 West Apartments, 2015
- 3) Nolan Mains / 50th & France Parking Ramps, 2017
- 4) Pentagon Village (South), 2018
- 5) 4500 France, 2018





### Edina updated the TIF Policy in 2011.

In Edina, incremental property taxes are typically used to reimburse developer for eligible expenses <u>after</u> successful completion of the project. This eliminates financial risk to the City.

### TIF is considered for use under limited conditions:

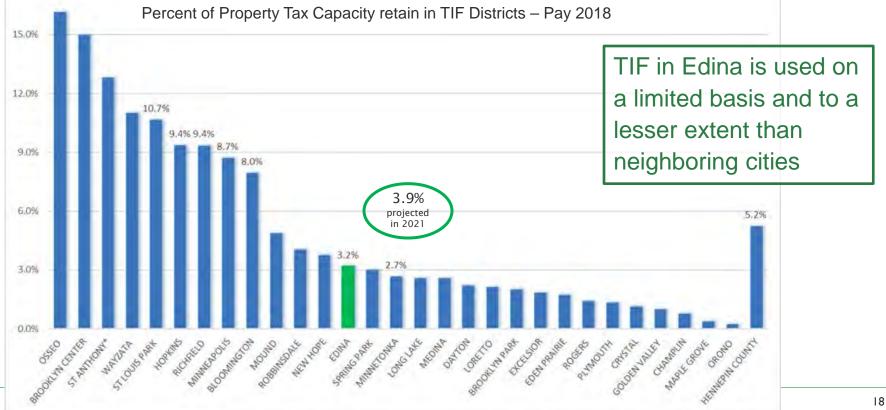
- 1) Projects that deliver measurable benefit to the general public
- 2) To cover the financial gap of constructing affordable housing
- 3) To avoid an outdated facility from having a blighting influence on neighboring properties

The amount of TIF pledged is limited to that required to fill a financial gap in the budget.

### **TIF** in Edina



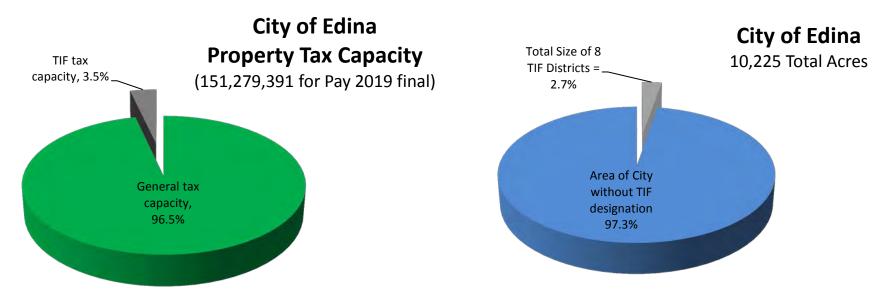




### **TIF** in Edina







Source: Edina Assessing Dept. / Ehlers

Source: City of Edina

Note: These percentages will be reduced when the 209-acre Southdale 2 District decertifies in 2021.

## Summary of Proposal – northwesterly view







The CITY of

**EDINA** 

## Summary of Proposal – minimum improvements



The CITY of

**EDINA** 

- All demolition and site preparation for 5.19 acres
- Delivery of two apartment buildings with street level commercial space
  - 62 of the 301 units to be affordably priced for 25-years
- Deliver 10 for-sale townhouses
- Deliver all easements



## Summary of Proposal – financial gap

The developer requested \$12 million in TIF support to make the project viable.

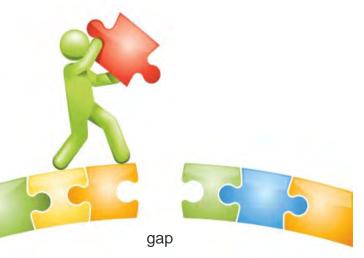
This request has been analyzed and evaluated. A substantial budget gap has been confirmed.

This financial gap can be resolved through the combination of:

- Additional equity
- Tax Increment Financing
- Outside grants



# The CITY of EDINA



# Summary of Proposal – economic benefit



Alternative options have also been considered.

- Reoccupy existing buildings
- Construct 2 medical/ office buildings w/o TIF
- Construct proposed project w/20 year TIF pledge

The proposed project, with TIF support, delivers the highest long-term tax benefit to the community. Impact of Redevelopment on Local Tax Base: Tax Capacity net of Fiscal Disparities

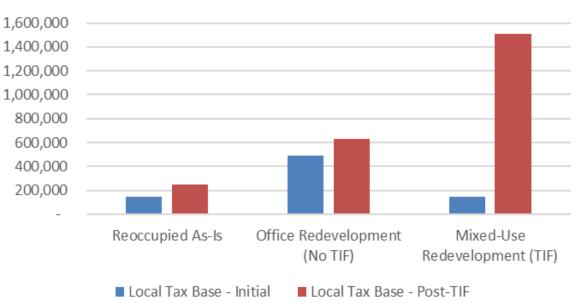


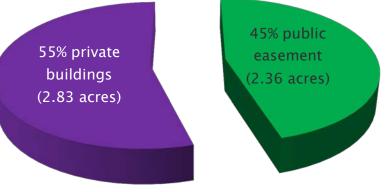
Photo Source: Minnesota Historic Society

## Summary of Proposal – public benefits



- Affordable housing (25-years)
- Conservation (tree) easement
- Public parking easement
- Public access easement (shared street, sidewalks and streetscapes, plaza)
- Shared stormwater system
- 72<sup>nd</sup> Street traffic calming

Land Area dedicated to Private & Public Uses 45% public 55% private easement buildings



# Summary of Proposal – Terms & Conditions



### TIF Note

- Sized based on review of actual costs at completion
  - not to exceed \$12.0 million
  - earns 5.5% (max.) interest
- Issued AFTER successful completion:
  - apartments completed
  - Townhouses under construction
  - Public easements delivered
- Subject to "lookback" and "clawback" of excess profits greater than 16% IRR
- \$500,000 penalty if townhouses not completed on schedule

## Proposed TIF District & TIF Plan





- The CITY of EDINA
- 2 parcels, 5 acres in size
- "Affordable" Housing District - Using Special Legislation approved in 2014
- 20 year term (max.)

- Original Tax Capacity = \$168,986
- Projected Tax Capacity = \$1,546,944 +815%



- Used to establish maximum budget

## Proposed TIF Plan – Sources and Uses



The CITY of EDINA

### Estimated Incremental Property Tax Collected

- **\$28.4** million
  - Over 20 year term
  - With interest earnings
  - Excludes base taxes distributed to other taxing agencies (County, Schools, City, etc)

### Projected Uses of Tax Increment Funds

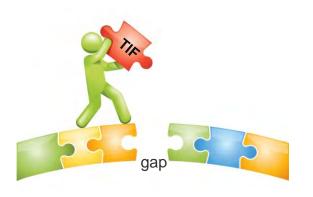
- Acquisition
- Site improvements \$3.2 M (11%)
- Utilities
- Affordable Housing
- Other Improvements
- Administrative
- Interest
- Total

\$1.8 M

\$1.0 M

- \$5.4 M (19%)
- \$3.5 M (12%)
- \$2.7 M (10%)
- \$10.7 M (38%)
- \$28.4 Million

### Proposed TIF Plan – Findings



- Site qualifies as a Housing TIF District
  - 20% of the new units will be affordably priced
  - At 60% AMI for at least 25 years
- Site plan complies with the City's general plans for redevelopment
- High construction costs and restricted rental income creates a financial gap that that hinders the delivery of the proposal

In Conclusion: it is not reasonably expected that the proposed development with long-term affordable housing will be constructed without the use of Tax Increment Financing.

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### **Questions / Discussion**



**CITY OF EDINA** 

HOUSING & REDEVELOPMENT AUTHORITY 4801 West 50th Street Edina, MN 55424 www.edinamn.gov

Authority Established 1974

Edina Housing and Redevelopment

**Date:** March 19, 2019

To: Chair & Commissioners of the Edina HRA

From: Jennifer Garske, Executive Assistant

Subject: Correspondence

Agenda Item #: VI.A.

Item Type: Other

**Item Activity:** Information

#### **ACTION REQUESTED:**

None.

#### **INTRODUCTION:**

There has been no correspondence since the last meeting.