

Agenda
Edina Housing and Redevelopment Authority
City of Edina, Minnesota
City Hall, Council Chambers
Thursday, October 14, 2021
7:30 AM

**Watch the meeting on cable TV or at EdinaMN.gov/LiveMeetings or
[Facebook.com/EdinaMN](https://www.facebook.com/EdinaMN).**

To participate in Community Comment:

Call 800-374-0221.

Enter Conference ID 3217088.

Give the operator your name, street address and telephone number.

Press *1 on your telephone keypad when you would like to get in the queue to speak.

A City staff member will introduce you when it is your turn.

**Or attend the meeting to provide testimony, City Hall Council Chambers, 4801 W.
50th St.**

- I. Call to Order
- II. Roll Call
- III. Pledge of Allegiance
- IV. Approval of Meeting Agenda
- V. 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.

- VI. 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. August 26, 2021 Regular Meeting Minutes
 - B. September 9, 2021 Special Meeting Minutes
 - C. Resolution No. 2021-11: Authorizing the Redemption of Public Project Revenue Bonds, Series 2009A
 - D. 3940 Market Street Lease Agreement with United States Postal Service
 - E. Pentagon Village LLC Redevelopment Agreement - Amendment #3
- VII. Reports/Recommendations: (Favorable vote of majority of Commissioners present to approve except where noted)
- A. Resolution 2021-12 Establishing the Eden / Willson Redevelopment Tax Increment Financing District and Approving a Tax Increment Financing Plan Therefor
 - B. Edina Theater 3911 W. 50th Street - Financial Support for Re-Occupancy
 - C. MOTION TO CLOSE SESSION: as permitted by MS. 13D.05 subdivision 3 to discuss the potential Sale of Real Property located at 5146 Eden Avenue.
 - D. CLOSED SESSION - Potential Sale of Real Estate at 5146 Eden Avenue
 - E. Motion to move back into open session
- 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.



Edina Housing and Redevelopment
Authority
Established 1974

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

Date: October 14, 2021

Agenda Item #: VI.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Minutes

From: Liz Olson, Administrative Support Specialist

Item Activity:
Action

Subject: August 26, 2021 Regular Meeting Minutes

ACTION REQUESTED:

Approve the regular minutes of August 26, 2021.

INTRODUCTION:

See attached meeting minutes of August 26, 2021.

ATTACHMENTS:

August 26, 2021 Regular Meeting Minutes

**MINUTES
OF THE REGULAR MEETING OF THE
EDINA HOUSING AND REDEVELOPMENT AUTHORITY
AUGUST 26, 2021
7:30 A.M.**

I. CALL TO ORDER

Chair Hovland called the meeting to order at 7:30 a.m. then explained the processes created for public comment.

II. ROLL CALL

Answering rollcall were Commissioners Anderson, Jackson, and Chair Hovland.

Absent: Commissioners Pierce and Staunton.

III. PLEDGE OF ALLEGIANCE

IV. MEETING AGENDA APPROVED - AS PRESENTED

Motion by Commissioner Anderson, seconded by Commissioner Jackson, approving the meeting agenda as presented.

Roll call:

Ayes: Commissioners Anderson, Jackson, and Chair Hovland

Motion carried.

V. COMMUNITY COMMENT

Megan Feeney, 4239 Grimes Avenue South, shared her background as a film historian and critic then commented about the need for preservation and revitalization of the Edina Cinema and how that potential could not be reached with a for-profit contributor.

VI. CONSENT AGENDA ADOPTED – AS PRESENTED

Member Jackson made a motion, seconded by Member Anderson, approving the consent agenda as presented:

VI.A. Approve minutes of the Regular Meeting August 12, 2021

VI.B. Approve an Additional \$750,000 for the Housing Rehabilitation Program

VI.C. Approve Payment of Claims, HRA Check Register Dated July 2, 2021, totaling \$121,027.76

Rollcall:

Ayes: Commissioners Anderson, Jackson, and Chair Hovland

Motion carried.

VII. REPORTS/RECOMMENDATIONS

VII.A. 4917 EDEN AVENUE – TERMS OF TAX INCREMENT FINANCING – APPROVED

Economic Development Manager Neuendorf shared the item pertained to the redevelopment of commercial property located at 4917 Eden Avenue. He said the site plan had secured preliminary zoning approvals and how the developer had requested the City and HRA participate in the financing of the redevelopment project. He outlined had staff had engaged legal and financial experts to review the developer's request that resulted in a Term Sheet that had been prepared to identify the key terms and conditions by which Tax Increment Financing could be used to make this project feasible. Mr. Neuendorf reviewed the acquisition costs, potential uses, net income, and funding sources in detail then reviewed recommended terms for private redevelopment and public roadway improvements. He reviewed the TIF note further then outlined the potential public benefits of streetscapes, public plaza, permanent easement for 29 parking stalls, 10,500 square feet of land for

a future roadway or public use, and affordable housing availability for 20 years and said staff recommended the Term Sheet be approved.

The Commission spoke about the public benefit of 29 stalls for the project and whether this should be publicly funded. They noted demolition should be a developer expense and how the project was a developer-timed decision then expressed concerns about land donation and rezoning of the site that created value that assisted the developer. They asked questions regarding boundaries of the district and how the project would bring roadway improvements in five years but that improvements were needed now. The Commission said the neighborhood would be immediately impacted as well as the public works site and how the project would not solve traffic issues in the Sunnyslope neighborhood and stressed the need for road improvements. They shared a source of concern that tied the improvement to a TIF note and suggested bonding be used instead to begin immediate construction and use tax abatement for the project and the need to determine the true public realm benefit.

Mr. Neuendorf outlined the proposed boundaries that included the parcel, the former Perkins restaurant, adjacent park, and roadways that immediately served the area then explained the roadway improvements would need to be coordinated in conjunction with Hennepin County's proposed projects of reconstructing an offramp onto Eden Avenue as well as the bridge and how all projects could not occur at the same time without significant traffic impacts.

The Commission spoke about the public benefit of the project and how TIF was used to attract infill development so Edina continued to thrive and not have projects go elsewhere but still impact the City with increased traffic. They spoke about the proposed term of 26 years that would provide \$11.4 million for traffic remediation and suggested signage be used to encourage parking across the street from City Hall for events. They said this would be an innovative project that would address traffic and create a central revitalized area for the center of Edina. The Commission reviewed the public benefits which included stormwater improvements, public streets, affordable housing, and land for future public use.

Jay Lindgren, Dorsey and Whitney, responded to questions regarding the need to solve parking issues throughout the City and how TIF was used to provide public parking which was expensive and how easements would be created to retain parking into perpetuity. He spoke how TIF leveled the playing field for communities by providing funding for a wide range of costs and noted this \$5 million note would provide \$85 million benefit and yield even greater benefit overall because it would not require all the tax increment to fill the gap.

Mr. Neuendorf outlined how TIF would address demolition and soil remediation which was a public benefit in itself and how TIF allowed Edina to attract projects to the City instead of other communities.

Motion by Commissioner Jackson, seconded by Commissioner Anderson, to approve the term sheet and authorize the preparation of a complete TIF Redevelopment Agreement based on the terms as described.

Roll call:

Ayes: Commissioners Jackson and Chair Hovland

Nays: Commissioner Anderson

Motion carried.

VII.B. RESOLUTION NO. 2021-08; CALL FOR PUBLIC HEARING ON THE PROPOSED MODIFICATIONS TO THE REDEVELOPMENT PLAN FOR THE SOUTHEAST EDINA REDEVELOPMENT PROJECT AREA AND EDEN/WILLSON TAX INCREMENT FINANCING PLAN – ADOPTED

Mr. Neuendorf shared this item would call for a future public hearing on the proposed modifications to the redevelopment plan for the Southeast Edina Redevelopment Project area and consideration of the Eden/Willson Tax Increment Financing Plan. He said execution of this resolution was related to the Term Sheet prepared for the potential redevelopment of the commercial site at 4917 Eden Avenue and how the HRA and City would follow the state-mandated review process to consider creation of a new TIF District.

Member Anderson moved to adopt Resolution No. 2021-08 requesting the City Council of the City of Edina call for a public hearing on the proposed establishment of the Eden/Willson Tax Increment Financing Plan (a redevelopment district). Member Jackson seconded the motion.

Roll call:

Ayes: Commissioners Anderson, Jackson, and Chair Hovland

Motion carried.

VII.C. RESOLUTION NO. 2021-09; ADOPTING MODIFICATIONS OF THE TAX INCREMENT FINANCING PLAN FOR THE SOUTHDAL 2 TAX INCREMENT FINANCING DISTRICT – ADOPTED

Mr. Neuendorf stated this item pertained recent changes to Minnesota TIF laws that allowed modifications to the budget of the Southdale 2 TIF District. He said after discussions with Ehlers Associates, the HRA's public finance advisors, a modification to the TIF Plan had been prepared that included budget modifications only and no change to the District boundaries or extension of the decertification date. He said this budget amendment would allow more of the incremental property taxes to be used for affordable housing in Edina and that staff recommended adoption of the proposed resolution.

The Commission confirmed the action was only required to conform to State law and actions needed to fully capture these funds. Mr. Neuendorf said the action would allow for some of the funds to be used for affordable housing and would hopefully capture more dollars towards that goal. He explained how as the district approached expiration the increment would spill into all taxing agencies and noted the level of investment could range in almost a billion dollars of new growth and provide tremendous public benefit impact. He noted staff was still working with financial advisors on how these funds could be best invested in the City that will range between \$6-8 million.

Member Jackson moved to adopt Resolution No. 2021-09 adopting a modification to the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District. Member Anderson seconded the motion.

Rollcall:

Ayes: Commissioners Anderson, Jackson, and Chair Hovland

Motion carried.

VII.D. 5146 EDEN AVENUE – DEVELOPMENT PLANNING – REVIEWED

Mr. Neuendorf stated a draft solicitation had been created to identify potential operators of an activity-oriented hospitality business to be located on the northern portion of the vacant site located at 5146 Eden Avenue. He shared a conceptual site plan that included a restaurant, dining, and hospitality user for an all-season format for indoor/outdoor dining and activities such as lawn games and others then outlined how the project could work that included a proposed land lease, build to suit, sale or other options. He said to accomplish the work Frauenshuh's intent was to serve as a broker for the City as they could focus on experienced operators and asked the Commission for input.

The Commission suggested including a description of the parcel that included the housing facility to provide potential bidders an idea of scale and that operation of green space was open to negotiation.

They stressed how they did not want to compete with existing businesses and to work on innovative and new ideas for the site then spoke about the location that needed to be adjacent to parking and site access. The Commission commented about the proposed restaurant size of 2,400 square feet which would limit who would go there and how the lease would depend on the tenant and that build to suit would create the most control. They said this was a multi-faceted project that could potentially lose control of the site and how smaller restaurants were likely a new trend now with other activities.

VII.E. REAL ESTATE SERVICES AGREEMENT FOR 5146 EDEN AVENUE – APPROVED

Mr. Neuendorf stated this agreement was a follow up to the July 26, 2021 engagement letter between Frauenshuh, United Properties and the Edina HRA. He provided more detail on the scope of services to be provided by Frauenshuh and identified the reimbursement for the brokerage services and said the agreement was jointly prepared by Frauenshuh and staff and recommended its approval.

The Commission noted the 4% commission was in the appropriate range but referred to the proposed retainer if the agreement expired or was cancelled and shared concerns about that amount. Mr. Neuendorf explained the City would be asking Frauenshuh to accomplish a great amount of work in a short amount of time and would know if progress was occurring early on and how the retainer would not be additive but only provided should the City cancel. He suggested language be included the retainer would occur as part of expiration over the normal course after four years and include if a commission was earned no other monies would be due.

Motion by Commissioner Anderson, seconded by Commissioner Jackson, to approve the Real Estate Services Agreement with Frauenshuh Inc. to represent the HRA in a potential hospitality-related transaction on the northern portion of the site.

Rollcall:

Ayes: Commissioners Anderson, Jackson, and Chair Hovland

Motion carried.

VII.F. EDINA THEATER – REQUEST FOR FINANCIAL ASSISTANCE – REVIEWED

Mr. Neuendorf stated the Edina Theater property owner and prospective tenants have requested financial assistance in order to re-open the vacant facility. Staff presented a summary of the current situation and offered a recommendation to provide financial support and said direction was requested in response to the staff recommendation. He outlined history and current status of the theater which had closed due to the pandemic and how the property was locally-owned and not for sale as they wanted to reopen as a theater. He said the property owner was working with three groups to accomplish reopening but would require \$1-1.5 million to do so. Mr. Neuendorf said the theater was an essential element destination for the 50th and France area and that staff supported some degree of public assistance. He outlined three options for possible consideration that included input on potential tenants, use of ARPA funds, reimbursement for tenants, and infrastructure needs for new sidewalks instead of an additional special assessment on top of current special assessments.

The Commission said ARPA funds would be the best use of those funds then asked about the economic impact of the various proposals such as attracting the Minneapolis Film Festival should that occur. They spoke about possible operating support and the need for theater upgrades and how it was an iconic and historical part of the City but noted ticket sale had declined prior to COVID and would that continue even after assistance and reopening. They asked about conversations with film producers then shared comments about the City's role with the owner on who they select for tenants and generally supported some level of assistance.

VIII. HRA COMMISSIONERS' COMMENTS – Received

IX. EXECUTIVE DIRECTOR'S COMMENTS – Received

IX.A. 5146 EDEN AVENUE – POTENTIAL SALE

X. ADJOURNMENT

Motion made by Commissioner Jackson, seconded by Commissioner Anderson, to adjourn the meeting at 9:20 a.m.

Roll call:

Ayes: Commissioners Anderson, Jackson, and Chair Hovland

Motion carried.

Respectfully submitted,

Scott Neal, Executive Director



Edina Housing and Redevelopment
Authority
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Date: October 14, 2021

Agenda Item #: VI.B.

To: Chair & Commissioners of the Edina HRA

Item Type:
Minutes

From: Liz Olson, Administrative Support Specialist

Item Activity:
Action

Subject: September 9, 2021 Special Meeting Minutes

ACTION REQUESTED:

Approve the special minutes of September 9, 2021.

INTRODUCTION:

See attached meeting minutes of September 9, 2021.

ATTACHMENTS:

September 9, 2021 Special Meeting Minutes

**MINUTES
OF THE SPECIAL MEETING OF THE
EDINA HOUSING AND REDEVELOPMENT AUTHORITY
SEPTEMBER 9, 2021
7:00 P.M.**

I. CALL TO ORDER

Chair Hovland called the meeting to order at 8:56 p.m.

Mayor Hovland shared the procedure for public hearing and community comment in the hybrid meeting format.

II. ROLL CALL

Answering rollcall were Commissioners Anderson, Jackson, Pierce, Staunton, Hovland.

III. MEETING AGENDA APPROVED AS PRESENTED

Commissioner Staunton made a motion, seconded by Commissioner Jackson, to approve the meeting agenda as presented.

Rollcall:

Ayes: Anderson, Jackson, Pierce, Staunton, Hovland

Motion carried.

IV. COMMUNITY COMMENT – None received.

V. REPORTS/RECOMMENDATIONS

V.A. RESOLUTION NO. 2021-10; ADOPTING THE PROPOSED BUDGET AND ESTABLISHING THE PROPOSED TAX LEVY PAYABLE IN 2022 – ADOPTED

Director Neal stated that the proposed tax levy increased from \$230,400 to \$237,300 for 2022. Neal said some of the funds were generally used to pay for staff and consulting services for HRA activities like affordable housing which has ramped up in the last couple years.

Commissioner Staunton introduced and moved adoption of Resolution No. 2021-10 adopting the proposed budget and establishing the proposed tax levy payable in 2022. Commissioner Jackson seconded the motion.

Rollcall:

Ayes: Anderson, Jackson, Pierce, Staunton, Hovland

Motion carried.

VI. HRA Commissioners' Comments – Received

VII. Executive Director's Comments – None

VIII. ADJOURNMENT

Commissioner Jackson made a motion, seconded by Commissioner Staunton, to adjourn the meeting at 9:04 p.m.

Ayes: Anderson, Jackson, Staunton, Hovland

Motion carried.

Respectfully submitted,

Scott Neal, Executive Director



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Date: October 14, 2021

Agenda Item #: VI.C.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Alisha McAndrews, Finance Director

Item Activity:
Action

Subject: Resolution No. 2021-11: Authorizing the Redemption
of Public Project Revenue Bonds, Series 2009A

ACTION REQUESTED:

Adopt Resolution No. 2021-11: Authorizing the Redemption of Public Project Revenue Bonds, Series 2009A.

INTRODUCTION:

In 2009, the HRA issued \$2,595,000 in Public Project Revenue Bonds to help fund a portion of the public works facility. These bonds are callable provided a 45-day notice is provided to the Trustee. Sufficient funds are available to call the outstanding principal of \$1,130,000. By calling the bonds the City will be able to reduce its annual debt levy by about \$200,000.

ATTACHMENTS:

Resolution No. 2021-11

CERTIFICATION OF MINUTES RELATING TO
REDEMPTION OF OUTSTANDING BONDS

Issuer: Edina Housing and Redevelopment Authority

Governing Body: Board of Commissioners

Kind, date, time and place of meeting: A regular meeting held on October 14, 2021
at 7:30 o'clock A.M. at the Edina City Hall.

Members present:

Members absent:

Documents Attached:

Minutes of said meeting (pages):

RESOLUTION NO. 2021-11

RESOLUTION AUTHORIZING THE REDEMPTION OF PUBLIC PROJECT
REVENUE BONDS, SERIES 2009A (CITY OF EDINA ANNUAL
APPROPRIATION LEASE OBLIGATIONS)

I, the undersigned, being the duly qualified and acting recording officer of the public corporation issuing the bonds referred to in the title of this certificate, certify that the documents attached hereto, as described above, have been carefully compared with the original records of said corporation in my legal custody, from which they have been transcribed; that said documents are a correct and complete transcript of the minutes of a meeting of the governing body of said corporation, and correct and complete copies of all resolutions and other actions taken and of all documents approved by the governing body at said meeting, so far as they relate to said bonds; and that said meeting was duly held by the governing body at the time and place and was attended throughout by the members indicated above, pursuant to call and notice of such meeting given as required by law.

WITNESS my hand officially as such recording officer this ____ day of _____,
2021.

(SEAL)

Executive Director

Commissioner _____ introduced the following resolution and moved its adoption:

RESOLUTION NO. 2021-11

RESOLUTION AUTHORIZING THE REDEMPTION OF PUBLIC PROJECT
REVENUE BONDS, SERIES 2009A (CITY OF EDINA ANNUAL
APPROPRIATION LEASE OBLIGATIONS)

BE IT RESOLVED by the Board of Commissioners of the Edina Housing and Redevelopment Authority (the “Authority”), as follows:

Section 1. The Authority has entered into a (i) Ground Lease, dated as of November 1, 2009 (the “Ground Lease”), between the City of Edina, Minnesota (the “City”), as lessor and the Authority as lessee, (ii) a Lease Agreement, dated as of November 1, 2009, between the Authority, as lessor and the City as lessee, pursuant to which the Authority acquired, constructed and furnished a portion of a public works facility (the “Facility”), and the City leased a portion of the Facility from the Authority.

Section 2. The Authority has issued its \$2,595,000 Public Project Revenue Bonds, Series 2009A (City of Edina Annual Appropriation Lease Obligations) on November 24, 2009 (the “Bonds”) pursuant to a Trust Indenture (Public Works Facility), dated as of November 1, 2009 (the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) to provide funds to finance project costs related to the Facility.

Section 3. Pursuant to the Indenture, the City has provided notice to the Authority and to the Trustee of its intention to purchase the Facility, and has requested that the Authority provide notice of redemption of the Bonds in connection with the purchase to the Trustee.

Section 4. Pursuant to the Indenture, the Bonds are currently subject to redemption and prepayment on any date upon notice of call for redemption thereof mailed not less than thirty (30) days before the date specified for redemption to the Owners of all Bonds which are to be redeemed.

Section 5. Pursuant to the Indenture, the Authority is required to provide written notice of an election to exercise an option to redeem the Bonds to the Trustee at least forty-five (45) days prior to the date specified for redemption.

Section 6. Pursuant to the purchase, the Authority has determined that there exists sufficient moneys to redeem on December 1, 2021, the outstanding February 1, 2022, through February 1, 2028, maturities of the Bonds, and has requested that the Board of Commissioners approve such redemption of the Bonds and the termination of the Ground Lease and the Lease.

Section 7. The redemption of the Bonds described above is hereby approved and the Chair and the Secretary are hereby authorized and directed to cause the outstanding February 1, 2022, through February 1, 2028, maturities of the Bonds, to be redeemed on December 1, 2021, and to provide notice of the redemption to the Trustee, in the form of Exhibit A attached hereto, and are further authorized to execute a Termination of Ground Lease and Termination of Lease Agreement.

Section 8. The Trustee is hereby authorized and directed to cause the notice of redemption, attached as Appendix A to Exhibit A, to be mailed in to the registered holders of the Bonds to be redeemed, pursuant to the terms of the Indenture.

BE IT FINALLY RESOLVED that this resolution shall be in full force and effect from and after its passage and that a certified copy hereof be provided to the Authority.

Upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

whereupon the resolution was declared duly passed and adopted.

EXHIBIT A

NOTICE OF REDEMPTION

**EDINA HOUSING AND REDEVELOPMENT AUTHORITY
\$2,595,000 PUBLIC PROJECT REVENUE BONDS, SERIES 2009A
(CITY OF EDINA ANNUAL APPROPRIATION LEASE OBLIGATIONS)**

TO: U.S. Bank National Association., as trustee (the “Trustee”)
FROM: Edina Housing and Redevelopment Authority (the “Authority”)
SUBJECT: Notice of redemption the above described obligations (the “Series 2009A Bonds”)
DATED DATE: [____], 2021

The Authority hereby gives notice, pursuant to Section 3.2 of the Trust Indenture (Public Works Facility), dated as of November 1, 2009, between the Authority and the Trustee, of the redemption of the outstanding February 1, 2022, through February 1, 2028, maturities of the Series 2009A Bonds on December 1, 2021 (the “Redemption Date”).

Attached hereto as Appendix A is the Notice of Redemption to be provided by the Trustee to Owners of all 2009A Bonds which are to be redeemed not less than thirty (30) days before the Redemption Date.

**EDINA HOUSING AND REDEVELOPMENT
AUTHORITY**

By: _____
Its: Chair

By: _____
Its: Secretary

APPENDIX A

NOTICE OF REDEMPTION

**Edina Housing and Redevelopment Authority, Minnesota
\$2,595,000 Public Project Revenue Bonds, Series 2009A
(City of Edina Annual Appropriation Lease Obligations)**

NOTICE IS HEREBY GIVEN that all of the above referenced Bonds, which mature on February 1 in the following years and amounts (the "Bonds"), are called for redemption and prepayment in whole on December 1, 2021 (the "Redemption Date"):

<u>Maturity</u> <u>Date</u> (February 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u>	<u>Maturity</u> <u>Date</u> (February 1)	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>CUSIP</u>
2022	\$145,000	3.98%	280615 CR4	2027	\$175,000	4.35%	280615 CW3
2023	150,000	4.05	280615 CS2	2028	180,000	4.42	280615 CX1
2024	155,000	4.12	280615 CT0				
2025	160,000	4.20	280615 CU7				
2026	165,000	4.27	280615 CV5				

On the Redemption Date there shall become due and payable upon each Bond to be redeemed, the principal thereof and premium, if any, together with interest accrued to the Redemption Date, and from and after the Redemption Date, interest on the Bonds shall cease to accrue and be payable.

A form W-9, Payer's Request for Taxpayer Identification Number, must be completed and returned with the called Bonds or 31% of the redemption proceeds will be withheld. Payment of Bonds to be redeemed will be made on and after the Redemption Date. Redeemed Bonds are to be surrendered for payment by submitting said Bond along with the completed Form W-9 to U.S. Bank National Association, at the following address:

If by Mail:

U.S. Bank National Association
Corporate Trust Services
P.O. Box 64111
St. Paul, MN 55164-0111

If by Hand or Overnight Mail:

U.S. Bank National Association
Corporate Trust Services
111 Fillmore Avenue East
St. Paul, MN 55107

If you request payment of principal and/or interest via wire transfer, please be advised there is a wire transfer fee which will be deducted from your payment.

The Trustee shall not be responsible for the selection of or use of the CUSIP number, nor is any representation made as to its correctness indicated in this Notice of Redemption. It is included solely for the convenience of the holders of the Bonds.

Dated: _____, 2021.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By _____

Its _____



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Established 1974

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HOUSING & REDEVELOPMENT
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4801 West 50th Street
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www.edinamn.gov

Date: October 14, 2021

Agenda Item #: VI.D.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Bill Neuendorf, Economic Development Manager

Item Activity:
Action

Subject: 3940 Market Street Lease Agreement with United
States Postal Service

ACTION REQUESTED:

Approve the lease with United States Postal Service.

INTRODUCTION:

This item pertains to commercial parking in the HRA's North Parking Ramp at 3940 Market Street. On behalf of the HRA, the City oversees a permit parking for employees at the 50th & France business district. This program is intended to better manage the parking resources so that ample parking is readily available for both customers and employees.

The USPS would like to pay for their employees to park in the North Parking Structure, but their purchasing policies do not allow them to take advantage of the City's annual permit process. Alternatively, a short-term lease has been prepared that allows USPS employees to park in a designated portion of the parking structure.

City staff has written the business terms identified in the USPS lease. The City Attorney has provided input in the language of the lease.

It is recommended that the HRA approve the temporary lease.

ATTACHMENTS:

Lease Agreement - 3940 Market St.



August 18, 2021

City of Edina, Edina Housing and Redevelopment Authority
4801 West 50th Street Edina, MN 55424-1330

SUBJECT: MINNEAPOLIS EDINA NORTH PARKING RAMP, 3940 MARKET ST, EDINA, MN 55424-1289
Expiration Date: 11/30/21

Dear United States Postal Service Landlord,

On behalf of the United States Postal Service ("Postal Service"), JLL is pleased to present the enclosed Lease Agreement for the above referenced property. Should you have feedback to the enclosed Lease Agreement, please contact me at 720-418-8005 or Allyson.Kirby@am.jll.com.

The following instructions have been added for your convenience to help expedite lease execution:

- **Lease Agreement:**
 - Sign each copy of the agreement where indicated.
 - Date each copy of the agreement on the designated line.
 - Signature(s) must be witnessed by two parties
- **Real Estate Conflict of Interest (COI) Certification Form:**
 - Complete one COI form for each per person who signs the lease. Sign and date where indicated.
- **Commission Agreement:**
 - Sign name, print name, and date where indicated.
- **Entity Documentation:** Provide documentation affirming the signator(ies) who have the authority to execute the lease. The names and official titles of the members/officers who are authorized to sign the lease must be written in the document provided. This information is required by the Postal Service.

****PLEASE SIGN AND RETURN THIS LEASE PACKET NO LATER THAN 10/22/21****

If sending a hard copy of the signed documents back, please mail **all requested forms with original signatures**. Upon acceptance and execution by the Postal Service, an original executed Lease will be returned to you.

Notice: All owners of record are advised to read the Lease thoroughly to ensure that each party is in agreement with the terms and conditions of this contract.

Respectfully,

Allyson Kirby

Allyson Kirby

CC: Mike Phelan



September 14, 2021

Dear Postal Service Landlord:

The Postal Service awarded a National Contract for Real Estate Services to Jones Lang LaSalle Americas, Inc. (JLL) in April 2017. JLL has experience and expertise in real property transactions and will be providing real estate support services, including lease management and brokerage services. The contract with JLL became effective on April 21, 2017.

This National Contract for our Real Estate Services Provider (RESP) entitles JLL to serve as the Tenant Representative on the behalf of the Postal Service for your leasing transaction. The Postal Service expects that you will pay a commission to the JLL representative for leasing services pursuant to a separate agreement between you and the JLL representative. The Postal Service understands that the rental rate may reflect this commission payment, along with other market based factors.

The Postal Service expects that the JLL representative will be respectful and professional in representing the Postal Service's interests and that you will work cooperatively with the JLL representative on the leasing transaction. We appreciate your cooperation in working with the Postal Service's Tenant Representative.

If you have any questions, please contact Tim Kastens, JLL Contract Executive at 202-719-5749 or at Tim.Kastens@am.jll.com.

Sincerely yours,

A handwritten signature in blue ink that reads "Karen LaFave".

Karen LaFave
Director, Facilities Leasing

October 08, 2021

COMMISSION AGREEMENT

This Agreement, made as of the last date written below, is between **CITY OF EDINA, EDINA HOUSING AND REDEVELOPMENT AUTHORITY** ("Lessor"), and **Jones Lang LaSalle Brokerage, Inc. ("Broker") as co-broker to Jones Lang LaSalle Americas, Inc. ("Agreement")**, and confirms the terms under which Lessor will pay a real estate brokerage commission to Broker for the lease ("Lease") between Lessor and the United States Postal Service ("Tenant") of that certain real property described as:

MINNEAPOLIS EDINA NORTH PARKING RAMP, 3940 MARKET ST, EDINA, MN
USPS Property ID 266314-005

1. Lessor will pay Broker, and Broker will accept as its full and only compensation for services rendered in connection with the Lease, an agreed upon rate that is in accordance with local business practices. The Lessor and Broker have agreed upon a commission equal to:

Annual Rent	Total Rent	Commission Rate	Amount Due
\$16,934.00	\$50,802.00	4%	\$2,032.08

2. The commission will be earned 100% upon full execution of the Lease and will be paid within thirty (30) days of execution without further condition or contingency.
3. The Aggregate Lease Value will include the initial rental to be paid by Tenant on all space leased by the Tenant and any fixed annual or other periodic bumps and/or fixed annual other periodic rent escalations occurring during the initial term of the Lease. The Aggregate Lease Value will not include any rental abatement, operating expenses and/or real estate taxes, any additional amounts paid by Tenant for services over and above those furnished by Lessor as part of the Lease, and option periods and/or lease terms beyond the initial term of the Lease. In no event shall the foregoing preclude Broker from receiving a commission for any extension, renewal, expansion or additional leasing in the event Tenant has engaged Broker to represent it.
4. Lessor agrees that it will not modify or in any way reduce the amount of Broker's commission hereunder. If either party institutes any action or proceeding against the other relating to the provisions of this Agreement, the unsuccessful party in the action or proceeding will reimburse the prevailing party all reasonable expenses, attorneys' fees, and disbursements. THE PARTIES HEREBY WAIVE TRIAL BY JURY.
5. This Agreement will continue to be in effect until the first anniversary of its full execution. If on the first anniversary the Lessor and Tenant are still negotiating for the Lease of the subject property, to the extent not prohibited by law, this Agreement will be automatically extended until such negotiations cease or a lease is fully executed.
6. This Agreement constitutes the entire agreement between Lessor and Broker and supersedes all prior discussions, negotiations, and agreements, whether oral or written. No amendment, alteration, or withdrawal of this Agreement will be valid or binding unless made in writing and signed by both Lessor and Broker. This Agreement will be binding upon the successors and assignees of the parties.
7. Lessor and Broker each represents and warrants to the other that, in connection with Tenant's Lease of the subject property, it has not employed or dealt with any broker, agent, or finder other than Broker. Lessor and Broker shall each indemnify and hold the other harmless from and against any claims for brokerage fees or other commissions asserted by any broker, agent or finder employed by Lessor or Broker, respectively, or with whom Lessor or Broker, respectively, has dealt.
8. Lessor and Broker agree not to disclose confidential financial information on commission, or any other information having an adverse effect on the agreement and will refrain from using the information for any other purpose than that for which it was furnished. The parties agree that there may be a client fee share, if allowed by applicable law.
9. Each party shall be responsible to the other party only for the reasonably foreseeable direct damages caused by its breach of this Agreement and in no event will either party be liable to the other for any loss of or damage to revenues, profits, or goodwill or other special, incidental, indirect, or consequential damage of any kind resulting from its performance or failure to perform pursuant to the terms of this Agreement. In no event shall Broker's liability for damages in connection with a claim made hereunder, including any indemnification obligation arising hereunder, exceed the amount of any commission actually received by Broker under this Agreement.
10. Each signatory to this Agreement represents and warrants that it has full authority to sign this Agreement on behalf of the party for whom it signs and that this Agreement binds such party.

BROKER:

Jones Lang LaSalle Brokerage, Inc.

By: _____

Name and Title

Dated: _____

LESSOR:

CITY OF EDINA, EDINA HOUSING AND
REDEVELOPMENT AUTHORITY

By: _____

SCOTT NEAL, EXECUTIVE DIRECTOR

Name and Title

Dated: _____

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. City of Edina	
	2 Business name/disregarded entity name, if different from above Edina Housing and Redevelopment Authority	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input checked="" type="checkbox"/> Other (see instructions) ►	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) 3 Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
	5 Address (number, street, and apt. or suite no.) See instructions. 4801 West 50th Street	Requester's name and address (optional)
	6 City, state, and ZIP code Edina, MN 55424	
7 List account number(s) here (optional)		

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
			-				-		
or									
Employer identification number									
4	1		-	6	0	0	5	1	8

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► 	Date ► 7/23/2020
------------------	--	-------------------------

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Certificate of Title

*See notice of Correction (1)

Certificate Number: 1490832

Created by Document Number: **5641851**

Transfer from: **1490831**

Originally registered February 3, 1969 Volume: 1457, Certificate No: 440085, District Court No: 16224
Also originally registered September 6, 2019, Certificate No: 1490829, District Court No: 27-ET-CV-18-87

State of Minnesota

County of Hennepin

}

S.S.

Registration

This is to certify that

HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA, A PUBLIC BODY POLITIC AND CORPORATE, whose address is 4801 West 50th Street, Edina, Minnesota, 55419;

is now the owner of an estate in fee simple

In the following described land situated in the County of Hennepin and State of Minnesota:

Tract A, Registered Land Survey No. 1872 Hennepin County, Minnesota

The westerly line of that part of above land embraced within Lot 35, Auditor's Subdivision No. 172, Hennepin County, Minnesota, is marked by Judicial Landmarks set pursuant to Order in Torrens Case No. 16224, per Doc No. 934508;

Subject to any rights or encumbrances which may be subsisting specified in Section 508.25, Chapter 508, Minnesota Statutes, and all acts amendatory thereof;

Subject to the interests shown by the following memorials and to the following rights or encumbrances set forth in Minnesota statutes chapter 508, namely:

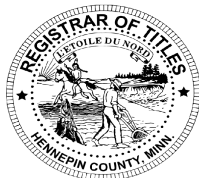
1. Liens, claims, or rights arising under the laws or the Constitution of the United States, which the statutes of this state cannot require to appear of record;
2. Any real property tax or special assessment;
3. Any lease for a period not exceeding three years, when there is actual occupation of the premises under the lease;
4. All rights in public highways upon the land;
5. Such right of appeal or right to appear and contest the application, petition, or other proceeding affecting the title, as is allowed by law;
6. The rights of any person in possession under deed or contract for deed from the owner of the certificate of title;
7. Any outstanding mechanics lien rights which may exist under sections 514.01 to 514.17.

Memorials				
Document Number	Document Type	Date of Filing Month Day, Year Time	Amount	Running in Favor Of
A2542948	Easement	Dec 31, 1948 9:00 AM		Between Inga Bjorkman and Erick A Bjorkman, and William H Kell and Lillian Kell. Granting an easement for driveway purposes over part of above land.
A3221537	Easement	Feb 23, 1960 2:00 PM		City of Edina. Granting an easement for storm sewer purposes over part of above land.
A4159527	Easement	Aug 21, 1975 3:00 PM		City of Edina. Granting an easement for public walkway purposes over part of above land.
A4161444	Easement	Sep 2, 1975 1:30 PM		City of Edina. Granting an easement for public walkway purposes over part of above land.

Memorials				
Document Number	Document Type	Date of Filing Month Day, Year Time	Amount	Running in Favor Of
A4165600	Easement	Sep 23, 1975 3:00 PM		City of Edina. Granting an easement for public walkway purposes over part of above land.
A4189532	Easement	Jan 28, 1976 2:20 PM		City of Edina. Granting an easement for utility purposes over part of above land.
A4204021	Easement	Apr 29, 1976 11:20 AM		City of Edina. Granting an easement for public walkway purposes over part of above land.
A9355411	Variance	Apr 30, 2009 4:30 PM		Resolution No. 2008-126 By the City Council of the City of Edina. Granting a variance.
T5471633	Resolution	Aug 21, 2017 4:30 PM		Resolution No. 2017-60 By the City Council of the City of Edina. Approving final rezoning.
T5504629	Agreement	Jan 12, 2018 12:22 PM		Between Housing and Redevelopment Authority of Edina, Minnesota (a MN body politic and corporate), the City of Edina, and Edina Market Street LLC (a MN llc).
T5571537	Easement	Oct 26, 2018 3:47 PM		Between Housing and Redevelopment Authority of Edina (a MN public body and corporate) and Mitchell J Monson and Jan Y Monson. An easement for fence, retaining wall, drain tile, and other purposes over other land for the benefit of above land.
T5604417	Agreement	Apr 4, 2019 2:18 PM		BETWEEN HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA and MITCHELL J MONSON and JAN Y MONSON.
T5613838	Easement	May 16, 2019 1:26 PM		LB 49TH 1/2 STREET, LLC (a MN llc). Granting an easement for electric utility purposes over part of above land.
T5621587	Map	Jun 21, 2019 3:00 PM		Informational Map describing the west boundary line as surveyed for land registered in Torrens Case no 16224.
T5652286	Resolution	Oct 14, 2019 12:28 PM		Resolution No. 2019-58. By the City Council of the City of Edina. Approving the vacation right of way easements as contained in document no(s) 3221537, 4161444, and 4204021.
T5652288	Declaration	Oct 14, 2019 12:28 PM		Creating easements, restrictions and covenants.
T5652289	Agreement	Oct 14, 2019 12:28 PM		BETWEEN CITY OF EDINA, HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA MINNESOTA and EDINA MARKET STREET LLC

Memorials				
Document Number	Document Type	Date of Filing Month Day, Year Time	Amount	Running in Favor Of
T5654611	Correction	Oct 21, 2019 12:53 PM		<p>Recital text changed from:</p> <p>"The easterly line of that part of above land embraced within Lot 36, Auditor's Subdivision No. 172, Hennepin County, Minnesota, is marked by Judicial Landmarks set pursuant to Order in Torrens Case No. 16224, per Doc No. 934508; (now as to above Tract A)"</p> <p>to:</p> <p>"The westerly line of that part of above land embraced within Lot 35, Auditor's Subdivision No. 172, Hennepin County, Minnesota, is marked by Judicial Landmarks set pursuant to Order in Torrens Case No. 16224, per Doc No. 934508; (now as to above Tract A)"</p> <p>Memorial 5504629 RIFO text changed from:</p> <p>"Between Housing and Redevelopment Authority of Edina, Minnesota (a MN body politic and corporate) and Edina Market Street LLC (a MN llc). (now as to above land)"</p> <p>to:</p> <p>"Between Housing and Redevelopment Authority of Edina, Minnesota (a MN body politic and corporate), the City of Edina, and Edina Market Street LLC (a MN llc). (now as to above land)"</p> <p>Memorial 5613838 RIFO text changed from:</p> <p>"Granting an easement for utility purposes over part of above land."</p> <p>to:</p> <p>"Granting an easement for electric utility purposes over part of above land."</p> <p>In future certificates of title omit the memorial of this correction.</p>
T5666327	Agreement	Dec 2, 2019 2:47 PM		Between the HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA, EDINA MARKET STREET LLC, and the CITY OF EDINA. Agreeing to lighting encroachment over public right of way.
T5717044	Certificate of Completion	Jun 15, 2020 3:39 PM		Certify that all construction and other physical improvements specified to be done and made by the Authority with regard to the North Site Improvement have been completed, and the provisions of the Agreement imposing obligations on the Authority to construct the North Site Improvements on the Property, are hereby satisfied and terminated.

Indexes Verified through 7/13/2021



In Witness Whereof, I have hereunto subscribed my name and affixed the seal of my office this 6th day of September, 2019.

Martin McCormick
Registrar of Titles,

In and for the County of Hennepin and State of Minnesota.



Ground Lease

MINNEAPOLIS - EDINA NORTH PARKING RAMP (266314-005)
3940 MARKET ST, EDINA, MN 55424-1289



Ground Lease

Facility Name/Location

MINNEAPOLIS - EDINA NORTH PARKING RAMP (266314-005)
3940 MARKET ST, EDINA, MN 55424-1289

County: Hennepin

Lease: QU0000680356

This Lease made and entered into by and between CITY OF EDINA, EDINA HOUSING AND REDEVELOPMENT AUTHORITY hereinafter called the Landlord, and the United States Postal Service, hereinafter called the Postal Service:

In consideration of the mutual promises set forth and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1. The Landlord hereby leases to the Postal Service and the Postal Service leases from the Landlord the following premises, hereinafter legally described in paragraph 7, in accordance with the terms and conditions described herein and contained in the 'General Conditions to USPS Ground Lease,' attached hereto and made a part hereof: 42 parking stalls located in portions of the North Parking Ramp located at 3940 Market Street ("Property") and depicted on Exhibit A (for parking of employees of the Postal Service facility located at 3948 Market Street in Edina).

Total Site Area: 11,340.00 Sq. Ft.

2. RENTAL: The Postal Service will pay the Landlord an annual rent of: See Addendum.

Rent checks shall be payable to:

CITY OF EDINA
EDINA HOUSING AND REDEV
AUTHORITY
4801 W 50TH ST
EDINA, MN 55424-1330

3. TO HAVE AND TO HOLD the said premises with their appurtenances for the following term:

FIXED TERM: The term becomes effective December 01, 2021 with an expiration date of November 30, 2024, for a total of 3 Years.

4. RENEWAL OPTIONS: None

5. TERMINATION:

Both the Postal Service and the Landlord may terminate this Lease at any time by giving 30 days written notice to the other party.

6. OTHER PROVISIONS: The following additional provisions, modifications, riders, layouts, and/or forms were agreed upon prior to execution and made a part hereof:

See Attached Addendum.

See Exhibit A

7. LEGAL DESCRIPTION:

Tract A, Registered Land Survey NO. 1872 Hennepin County, Minnesota.

A portion of The westerly line of that part of above land embraced within Lot 35, Auditors Subdivision No. 172, Hennepin County, Minnesota, is marked by Judicial Landmarks set pursuant to Order in Torrens Case No. 16224, per Doc No. 934508



Ground Lease

EXECUTED BY LANDLORD this _____ day of _____, _____.

GOVERNMENTAL ENTITY

By executing this Lease, Landlord certifies that Landlord is not a USPS employee or contract employee (or an immediate family member of either), or a business organization substantially owned or controlled by a USPS employee or contract employee (or an immediate family member of either).

Name of Governmental Entity: CITY OF EDINA

Name + Title:

Name + Title:

Name + Title:

Name + Title:

Landlord's Address: EDINA HOUSING AND REDEV AUTHORITY 4801 W 50TH ST
EDINA, MN 55424-1330

Landlord's Telephone Number(s): 952-826-0407

Federal Tax Identification No.: XX-XXX5118

Witness

Witness

- a. Where the Landlord is a governmental entity or other municipal entity, the Lease must be accompanied by documentary evidence affirming the authority of the signatory(ies) to execute the Lease to bind the governmental entity or municipal entity for which he (or they) purports to act.
- b. Any notice to Landlord provided under this Lease or under any law or regulation must be in writing and submitted to Landlord at the address specified above, or at an address that Landlord has otherwise appropriately directed in writing. Any notice to the Postal Service provided under this Lease or under any law or regulation must be in writing and submitted to "Contracting Officer, U.S. Postal Service" at the address specified below, or at an address that the Postal Service has otherwise directed in writing.

ACCEPTANCE BY THE POSTAL SERVICE

Date: _____

Contracting Officer

Signature of Contracting Officer

7500 E 53RD PL RM 1108, DENVER, CO 80266-9918
Address of Contracting Officer

Facility Name/Location

MINNEAPOLIS - EDINA NORTH PARKING RAMP (266314-005)

3940 MARKET ST, EDINA, MN 55424-1289

County: Hennepin

If there is any conflict or ambiguity between any items of the Lease or this Addendum, the terms of this Addendum shall control

2. RENTAL: The Postal Service will pay the Landlord an annual rental of:

\$16,934.00 beginning December 01, 2021 and ending December 31, 2021

\$19,800.00 beginning January 01, 2022 and ending December 31, 2022

\$20,160.00 beginning January 01, 2023 and ending December 31, 2023

\$25,200.00 beginning January 01, 2024 and ending November 30, 2024

payable in equal installments at the end of each calendar month. Rent for a part of a month will be prorated.

8. Landlord agrees to maintain and pay the following utilities and services: Trash removal, snow removal, all electrical and lighting, not including electrical vehicle charging stations.

9. Paragraph 6 of the General Conditions to USPS Ground Lease is deleted in its entirety.

10. Paragraph 7 of the General Conditions to USPS Ground Lease is deleted in its entirety and is replaced with the following:

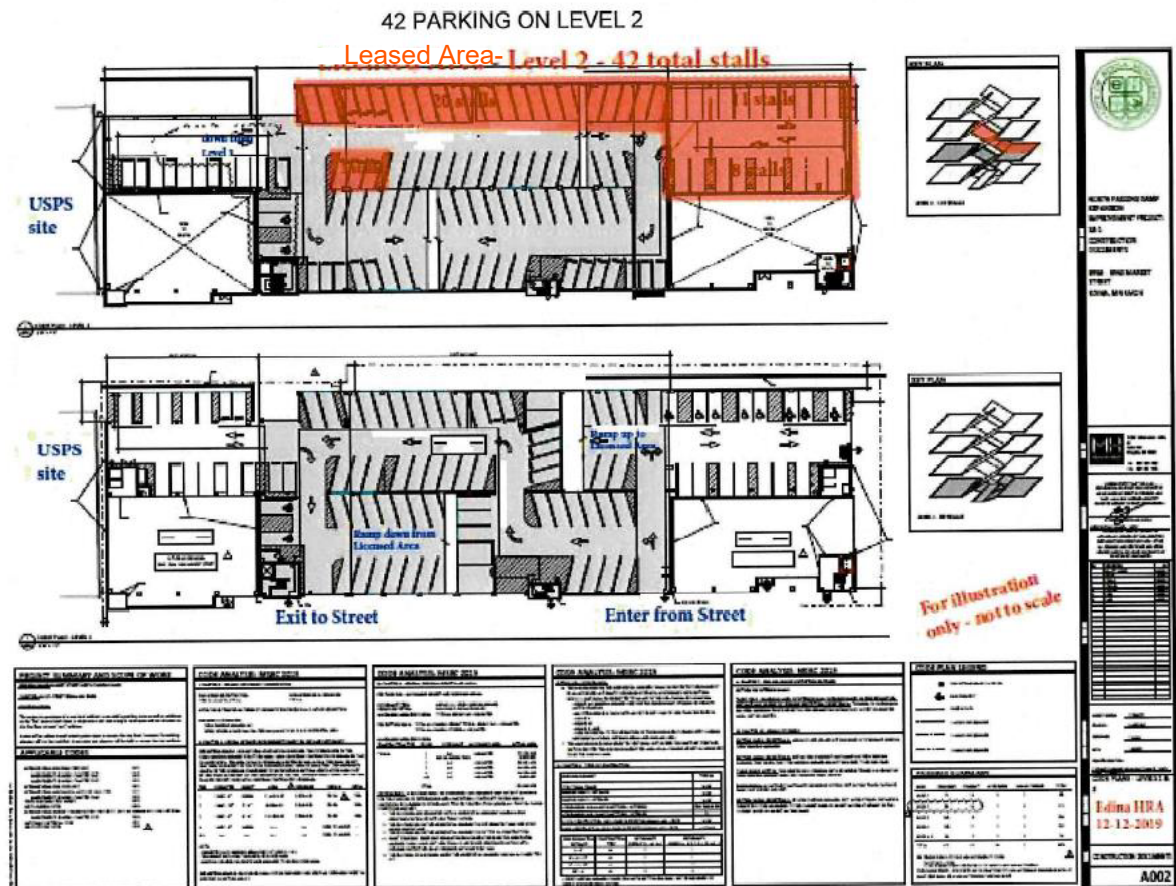
Alterations: Postal Service shall not materially alter, change or damage the Leased area, including the existing structure and its electrical and plumbing systems, nor shall Postal Service place any other structures within the Leased Area, without the prior written consent of the Landlord, which consent may be withheld at the Landlord's sole discretion.

11. The parties agree that if the signature(s) of either Landlord or the Postal Service on this Lease or any amendments, addendums, assignments, or other records associated with this Lease is not an original but is an electronic signature, scanned signature or a digitally encrypted signature, then such electronic signature, scanned signature or digitally encrypted signature shall be as enforceable, valid and binding as, and the legal equivalent to, an authentic original wet signature penned manually by its signatory. Signatures required under this Lease, or any amendments, addendums, assignments, or other records associated therewith, may be transmitted by email or by fax and, once received by the party to whom such signatures were transmitted, shall be binding on the party transmitting its signatures as though they were an original signature of such party.

Facility Name/Location
MINNEAPOLIS – EDINA NORTH PARKING RAMP (266314-005)
3940 MARKET ST, EDINA, MN 55424-1289

County: Hennepin
Lease: QU0000680356

Exhibit A – Site Plan



1. CHOICE OF LAW

This Lease shall be governed by federal law.

2. RECORDING

Not Required

3. MORTGAGEE'S AGREEMENT

If there is now or will be a mortgage on the property which is or will be recorded prior to the recording of the Lease, the Landlord must notify the contracting officer of the facts concerning such mortgage and, unless in his sole discretion the contracting officer waives the requirement, the Landlord must furnish a Mortgagee's Agreement, which will consent to this Lease and shall provide that, in the event of foreclosure, mortgagee, successors, and assigns shall cause such foreclosures to be subject to the Lease.

4. ASSIGNMENTS

a. The terms and provisions of this Lease and the conditions herein are binding on the Landlord and the Postal Service, and all heirs, executors, administrators, successors, and assigns.

b. If this contract provides for payments aggregating \$10,000 or more, claims for monies due or to become due from the Postal Service under it may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with:

1. the contracting officer; and
2. the surety or sureties upon any bond.

c. Assignment of this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.

d. Nothing contained herein shall be construed so as to prohibit transfer of ownership of the demised premises, provided that:

1. such transfer is subject to this Lease agreement;
2. both the original Landlord and the successor Landlord execute the standard *Certificate of Transfer of Title to Leased Property and Lease Assignment and Assumption* form to be provided by the USPS Contracting Officer.

5. APPLICABLE CODES AND ORDINANCES

The Landlord, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the parcel on which the premises are situated and to obtain all necessary permits and related items at no cost to the Postal Service. When the Postal Service or one of its contractors (other than the Landlord) is performing work at the premises, the Postal Service will be responsible for obtaining all necessary and applicable permits, related items, and associated costs.

~~6. SUBLEASE~~

~~The Postal Service may sublet all or any part of the premises or assign this lease but shall not be relieved from any obligation under this lease by reason of any subletting or assignment.~~ **SEE ADDENDUM #9**

7. ALTERATIONS

~~The Postal Service shall have the right to make alterations, attach fixtures and erect additions, structures or signs in or upon the premises hereby leased (provided such alterations, additions, structures, or signs shall not be detrimental to or inconsistent with the rights granted to other tenants on the property on which said premises are located); which fixtures, additions or structures so placed in, upon or attached to the said premises shall be and remain the property of the Postal Service and may be removed or otherwise disposed of by the Postal Service.~~ **SEE ADDENDUM #10**

8. CLAIMS AND DISPUTES

a. This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613) ("the Act").

b. Except as provided in the Act, all disputes arising under or relating to this contract must be resolved under this clause.

c. "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Landlord seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph d below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a

claim under the Act. The submission may be converted to a claim under the Act by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

d. A claim by the Landlord must be made in writing and submitted to the contracting officer for a written decision. A claim by the Postal Service against the Landlord is subject to a written decision by the contracting officer. For Landlord claims exceeding \$100,000, the Landlord must submit with the claim the following certification:

"I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief, that the amount requested accurately reflects the contract adjustment for which the Landlord believes the Postal Service is liable, and that I am duly authorized to certify the claim on behalf of the Landlord."

The certification may be executed by any person duly authorized to bind the Landlord with respect to the claim.

e. For Landlord claims of \$100,000 or less, the contracting officer must, if requested in writing by the Landlord, render a decision within 60 days of the request. For Landlord-certified claims over \$100,000, the contracting officer must, within 60 days, decide the claim or notify the Landlord of the date by which the decision will be made.

f. The contracting officer's decision is final unless the Landlord appeals or files a suit as provided in the Act.

g. When a claim is submitted by or against a Landlord, the parties by mutual consent may agree to use an alternative dispute resolution (ADR) process to assist in resolving the claim. A certification as described in subparagraph d of this clause must be provided for any claim, regardless of dollar amount, before ADR is used.

h. The Postal Service will pay interest on the amount found due and unpaid from:

1. the date the contracting officer receives the claim (properly certified if required); or
2. the date payment otherwise would be due, if that date is later, until the date of payment.

i. Simple interest on claims will be paid at a rate determined in accordance with the Act.

j. The Landlord must proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the contracting officer.

9. HAZARDOUS/TOXIC CONDITIONS CLAUSE

"Asbestos containing building material" (ACBM) means any material containing more than 1% asbestos as determined by using the method specified in 40 CFR Part 763, Subpart E, Appendix E. "Friable asbestos material" means any ACBM that when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.

The Landlord must identify and disclose the presence, location and quantity of all ACBM or presumed asbestos containing material (PACM) which includes all thermal system insulation, sprayed on and troweled on surfacing materials, and asphalt and vinyl flooring material unless such material has been tested and identified as non-ACBM. The Landlord agrees to disclose any information concerning the presence of lead-based paint, radon above 4 pCi/L, and lead piping or solder in drinking water systems in the building, to the Postal Service.

Sites cannot have any contaminated soil or water above applicable federal, state or local action levels or undisclosed underground storage tanks. Unless due to the act or negligence of the Postal Service, if contaminated soil, water, underground storage tanks or piping or friable asbestos material or any other hazardous/toxic materials or substances as defined by applicable Local, State or Federal law are subsequently identified on the premises, the Landlord agrees to remove such materials or substances upon notification by the U. S. Postal Service at Landlord's sole cost and expense in accordance with EPA and/or State guidelines. If ACBM is subsequently found which reasonably should have been determined, identified, or known to the Landlord, the Landlord agrees to conduct, at Landlord's sole expense, an asbestos survey pursuant to the standards of the Asbestos Hazard Emergency Response Act (AHERA), establish an Operations and Maintenance (O&M) plan for asbestos management, and provide the survey report and plan to the Postal Service. If the Landlord fails to remove any friable asbestos or hazardous/toxic materials or substances, or fails to complete an AHERA asbestos survey and O&M plan, the Postal Service has the right to accomplish the work and deduct the cost plus administrative costs, from future rent payments or recover these costs from Landlord by other means, or may, at its sole option, cancel this Lease. In addition, the Postal Service may proportionally abate the rent for any period the premises, or any part thereof, are determined by the Postal Service to have been rendered unavailable to it by reason of such condition.

The Landlord hereby indemnifies and holds harmless the Postal Service and its officers, agents, representatives, and employees from all claims, loss, damage, actions, causes of action, expense, fees and/or liability resulting from, brought for, or on account of any violation of this clause.

The remainder of this clause applies if this Lease is for premises not previously occupied by the Postal Service.

By execution of this Lease the Landlord certifies:

- a. the property and improvements are free of all contamination from petroleum products or any hazardous/toxic or unhealthy materials or substances, including friable asbestos materials, as defined by applicable State or Federal law;

b. there are no undisclosed underground storage tanks or associated piping, ACBM, radon, lead-based paint, or lead piping or solder in drinking water systems, on the property; and

c. it has not received, nor is it aware of, any notification or other communication from any governmental or regulatory entity concerning any environmental condition, or violation or potential violation of any local, state, or federal environmental statute or regulation, existing at or adjacent to the property.

10. FACILITIES NONDISCRIMINATION

a. By executing this Lease, the Landlord certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained.

b. The Landlord will insert this clause in all contracts or purchase orders under this Lease unless exempted by Secretary of Labor rules, regulations, or orders issued under Executive Order 11246.

11. CLAUSES REQUIRED TO IMPLEMENT POLICIES, STATUTES, OR EXECUTIVE ORDERS

The following clauses are incorporated in this Lease by reference. The text of incorporated terms may be found in the Postal Service's Supplying Principles and Practices, accessible at www.usps.com/publications.

Clause 1-1, Privacy Protection (July 2007)

Clause 1-5, *Gratuities or Gifts* (March 2006)

Clause 1-6, *Contingent Fees* (March 2006)

Clause 4-2, Contract Terms and Conditions Required to Implement Policies, Statutes or Executive Orders (July 2009)

Clause 9-3, *Davis-Bacon Act* (March 2006)¹

Clause 9-7, *Equal Opportunity* (March 2006)²

Clause 9-13, *Affirmative Action for Handicapped Workers* (March 2006)³

Clause 9-14, *Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era* (March 2006)⁴

Clause B-25, *Advertising of Contract Awards* (March 2006)

Note: For purposes of applying the above standard clauses to this Lease, the terms "supplier," "contractor," and "lessor" are synonymous with "Landlord," and the term "contract" is synonymous with "Lease."

¹ For premises with net interior space in excess of 6,500 SF and involving construction work over \$2,000.

² For leases aggregating payments of \$10,000 or more.

³ For leases aggregating payments of \$10,000 or more.

⁴ For leases aggregating payments of \$25,000 or more.

Facility Name: MINNEAPOLIS -EDINA NORTH PARKING RAMP
Fin/Sub No: 266314-005
Address: 3940 MARKET ST
City, ST, ZIP: EDINA, MN 55424-1289

Real Estate Conflict of Interest Certification

To avoid actual or apparent conflicts of interest, the United States Postal Service ("Postal Service") requires the following certification from you as a potential Landlord/Supplier/Contractor to the Postal Service. Please check all that apply in item A below. Further, please understand that the Postal Service will be relying on the accuracy of the statements made by you in this certification in determining whether to proceed with any possible transaction with you.

I, _____ hereby certify to the Postal Service as follows:

[PRINT: name of potential Landlord/Supplier/Contractor]

A. (Check all that apply) I am:

- (i) _____ A Postal Service employee;
- (ii) _____ The spouse of a Postal Service employee;
- (iii) _____ A family member of a Postal Service employee; (*Relationship*) _____
- (iv) _____ An individual residing in the same household as a Postal Service employee;
- (v) _____ I am one of the individuals listed in (i) through (iv) above AND a controlling shareholder or owner of a business organization leasing space or intending to lease space to the Postal Service; OR
- (vi) _____ None of the above.

B. (Complete as applicable):

- i. I have the following job with the Postal Service(*Title*)_____ (*Location*)_____
- ii. My Spouse who works for the Postal Service holds the following job: (*Title*)_____ (*Location*)_____
- iii. My family member who works for the Postal Service holds the following job: (*Title*)_____ (*Location*)_____
- iv. My household member who works for the Postal Service holds the following job: _____ (*Title*)_____ (*Location*)_____

C. If you have checked "none of the above" and during the lease term or any renewal term, you do fall into any of the categories listed in A (i) through (v) above, you shall notify the Postal Service Contracting Officer in writing within 30 days of the date you fall into any of the such categories and shall include an explanation of which of the above categories now applies.

D. The person signing this certification has full power of authority to bind the potential Landlord/Supplier/Contractor named above.

Executed this _____ day of _____, 20____ by

BY: _____
[Insert Signature]

BY: _____
[PRINT: name of entity or person]

Title: _____
[Insert title]

Facility Name: MINNEAPOLIS -EDINA NORTH PARKING RAMP
Fin/Sub No: 266314-005
Address: 3940 MARKET ST
City, ST, ZIP: EDINA, MN 55424-1289

[INTERNAL USE ONLY: *TM / RES: 1) If A(vi) 'none of the above' is selected, stop, file form with the lease. 2) If other items are selected, submit form to Ethics.help@usps.gov. File form and Ethics determination with the lease.]*



Edina Housing and Redevelopment
Authority
Established 1974

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

Date: October 14, 2021

Agenda Item #: VI.E.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Bill Neuendorf, Economic Development Manager

Item Activity:

Subject: Pentagon Village LLC Redevelopment Agreement -
Amendment #3

Action

ACTION REQUESTED:

Approve Amendment #3 to the Pentagon Village LLC Redevelopment Agreement.

INTRODUCTION:

This item pertains to the redevelopment of Lot 3 in the Pentagon Village site. The TIF Redevelopment Agreement is proposed to be amended to reflect the change in use on Lot 3. The original extended-stay hotel project will be replaced with an apartment project. This change to the site plan was approved by the City Council on August 17, 2021.

Amendments to the Redevelopment Agreement and the related Parking Facilities Easement Agreement have been prepared by the HRA's special legal counsel.

Staff recommends approval of this amendment.

ATTACHMENTS:

Redevel Agreement - 3rd Amendment

THIRD AMENDMENT
to
REDEVELOPMENT AGREEMENT
by and among
CITY OF EDINA, MINNESOTA,
HOUSING AND REDEVELOPMENT AUTHORITY
OF EDINA, MINNESOTA,
and
PENTAGON VILLAGE, LLC

Dated as of
October 19, 2021

THIS DOCUMENT WAS DRAFTED BY:
Dorsey & Whitney LLP
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402-1498

**THIRD AMENDMENT TO
REDEVELOPMENT AGREEMENT
(Pentagon South)**

THIS THIRD AMENDMENT TO REDEVELOPMENT AGREEMENT (“Amendment”) is made and entered into as of October 19, 2021 by and among the CITY OF EDINA, MINNESOTA, a Minnesota statutory city (the “City”), the HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “Authority”) and PENTAGON VILLAGE, LLC, a Delaware limited liability company (“Redeveloper”).

RECITALS

A. The City, the Authority, and Redeveloper are parties to a Redevelopment Agreement dated October 16, 2018 (the “Original Agreement”), as amended by that certain First Amendment to Redevelopment Agreement dated February 5, 2019 (the “First Amendment”), as amended by that certain Second Amendment to Redevelopment Agreement dated September 1, 2020 (the “Second Amendment”), and together the Original Agreement, the First Amendment, and the Second Amendment, collectively with the, the “Existing Agreement”).

B. Upon the terms and conditions set forth in the Existing Agreement, the Authority agreed to provide Redeveloper with certain TIF Assistance in connection with Redeveloper’s redevelopment of certain property located within in the City’s Pentagon Park Tax Increment Financing District, as such property more particularly described in the Existing Agreement.

C. As set forth in the Existing Agreement, one of the conditions to the Authority providing Redeveloper tax increment financing assistance is Redeveloper’s construction of certain Minimum Improvements in accordance with the Pentagon South Final Development Plan (as previously amended by the First Amended Final Development Plan) and other Pentagon South City Approvals (as previously amended by the First Amended City Approvals).

D. Redeveloper has requested the City’s regulatory approval of, and the City has approved pursuant to City Ordinance No. 2021-10 and City Council Resolution No. 2021-61 (collectively, the “Second Amended City Approvals”) certain modifications to the Pentagon South Final Development Plan (the “Second Amended Final Development Plan”), including, without limitation, approval of an Element to consist of an approximately 200-unit, 232,965 gross square foot, multi-family housing community to be constructed on Lot 3 of the Project Area (the “Lot 3 Residential Element”) in lieu of Hotel Element 2.

E. Redeveloper has requested that the City and Authority consent to the Second Amended Final Development Plan and the corresponding changes to the “Elements” of the “Minimum Improvements” described in the Existing Agreement.

F. Redeveloper intends to Transfer Lot 3 to Edina Apartments, LLC, a Minnesota limited liability company (“Lot 3 Owner”) for the purpose of Lot 3 Owner developing, constructing, owning, and operating the Lot 3 Residential Element, and Redeveloper has requested that the City and Authority consent to said Transfer of Lot 3 to Lot 3 Owner.

G. Upon the terms and conditions set forth in this Amendment, the City and Authority have agreed to consent to the Second Amended Final Development Plan and such Transfer to the Lot 3 Owner, and the parties have otherwise agreed to amend the Existing Agreement as set forth herein.

NOW, THEREFORE, in consideration of the promises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Recitals; Capitalized Terms. The Recitals are true and correct statements of fact and are incorporated into this Amendment by this reference, including the definitions set forth therein. Each capitalized term used herein and the Recitals, unless otherwise defined, shall have the respective meaning ascribed to such term in the Existing Agreement. The “Redevelopment Agreement” is the Existing Agreement as amended by this Amendment.

2. Defined Terms; Exhibits. For all purposes under the Redevelopment Agreement, the following capitalized terms are hereby amended as set forth below:

(a) “Element” is hereby amended to include the Lot 3 Residential Element and remove “Hotel Element 2”.

(b) “Pentagon South City Approvals” is hereby amended to mean the original Pentagon South City Approvals, as revised and amended by the First Amended Final Development Plan, the First Amended City Approvals, the Second Amended Final Development Plan, and the Second Amended City Approvals

(c) “Pentagon South Final Development Plan” is hereby amended to mean, collectively, the First Amended Final Development Plan approved by the City pursuant to the First Amended City Approvals and the Second Amended Final Development Plan approved by the City pursuant to the Second Amended City Approvals.

(d) All references to “Phase 1C” and “Phase 1C Minimum Improvements” are hereby amended to delete all references therein to the Hotel Element 2 and insert in its place the Lot 3 Residential Element as the anticipated Element to be constructed as part of Phase 1C.

(e) “Project Area Map” The Project Area Map attached to the First Amendment as Exhibit A thereto is hereby amended and supplemented with the revised site plan for Lot 3 attached hereto as Exhibit A. Except as herein modified by Exhibit A attached hereto, the Project Area Map to the First Amendment as Exhibit A remains unchanged and in full force and effect.

3. Consent to City Approvals. Subject to the terms and conditions of this Amendment, and subject to the terms and limitations of Section 3.2 of the Original Agreement, the Authority and the City hereby consent to the Second Amended Final Development Plan and the Second Amended City Approvals, including, without limitation, the construction of the Lot 3 Residential Element on Lot 3 in lieu of Hotel Element 2.

4. Consent to Transfer. In accordance with Section 12.2 of the Original Agreement, the City and the Authority hereby consent to the Transfer of Lot 3 by Redeveloper to Lot 3 Owner for the purpose

of Lot 3 Owner developing, constructing, owning, and operating the Lot 3 Residential Element. In connection with said Transfer, Redeveloper shall cause Lot 3 Owner to execute and deliver to the City and Authority the Acknowledgment attached to this Amendment (the "Lot 3 Acknowledgment"). Neither the City's and Authority's consent to such Transfer nor anything set forth in the Lot 3 Acknowledgment shall (a) release or relieve Redeveloper from, or otherwise modify, any of Redeveloper's obligations under the Redevelopment Agreement and (b) be deemed to be a consent by the City or the Authority to any other or subsequent Transfer. Redeveloper shall cause Lot 3 Owner, its successors and assigns, to comply with all terms and conditions of the Redevelopment Agreement applicable to Lot 3, the Lot 3 Residential Element, and generally applicable to transferees of any portion of the Project Area.

5. Controlling Interest Transfer. Redeveloper acknowledges and agrees that the Transfer of Lot 3 to Lot 3 Owner as contemplated in this Agreement is a "Controlling Interest Transfer" under Section 7.4 of the Original Agreement and Redeveloper shall be responsible for all Redeveloper's obligations under said Section 7.4, and otherwise in the Redevelopment Agreement, in connection with said Controlling Interest Transfer to Lot 3 Owner.

6. Hotel Transfers. Section 12.3 of the Original Agreement is hereby amended as necessary to delete all references to Lot 3 and Hotel Element 2.

7. Ratification. Except as specifically modified by this Amendment, the terms and provisions of the Existing Agreement shall remain in full force and effect.

8. Binding Effect. This Amendment amends and supplements the Existing Agreement. If there is a conflict between the provisions of the Existing Agreement and this Amendment, the provisions of this Amendment shall control. This Amendment shall be binding upon and inure to the benefit of the City, the Authority, Redeveloper, and their respective successors and assigns.

9. Counterparts. This Amendment may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the City, the Authority and Redeveloper have caused this Amendment to be duly executed in their names and on their behalf, all on or as of the date first above written.

CITY OF EDINA, MINNESOTA

By: _____
James B. Hovland, Mayor

By: _____
Scott H. Neal, City Manager

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by James B. Hovland and Scott H. Neal, the Mayor and City Manager, respectively, of the City of Edina, Minnesota, on behalf of the City of Edina.

Notary Public

HOUSING AND REDEVELOPMENT
AUTHORITY OF EDINA, MINNESOTA

By: _____
James B. Hovland, Chair

By: _____
James Pierce, Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021,
by James B. Hovland and James Pierce, the Chair and Secretary, respectively, of the Housing and
Redevelopment Authority of Edina, Minnesota, on behalf of said Authority.

Notary Public

PENTAGON VILLAGE, LLC
a Minnesota limited liability company

By: _____

Name: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____, the _____ of PENTAGON VILLAGE, LLC, a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

ACKNOWLEDGMENT

This Acknowledgment (this “Acknowledgment”) is made and executed as of this ____ day of _____, 2021, by EDINA APARTMENTS, LLC, a Minnesota limited liability company, its successors and assigns (“Lot 3 Owner”). Lot 3 Owner, on behalf of itself and its success and/or assigns, hereby acknowledges and agrees that:

1. As of the date hereof, Lot 3 Owner is the fee owner of the following described property:

Lot 3, Block 1, Pentagon Village, Hennepin County, Minnesota (“Lot 3”).

2. Lot 3 is subject to and encumbered by that certain Redevelopment Agreement dated October 16, 2018, by and among the CITY OF EDINA, MINNESOTA, a Minnesota statutory city (the “City”), the HOUSING AND REDEVELOPMENT AUTHORITY OF EDINA, MINNESOTA, a public body corporate and politic organized and existing under the laws of the State of Minnesota (the “Authority”), and PENTAGON VILLAGE, LLC, a Delaware limited liability company (“Redeveloper”), as amended by that certain First Amendment to Redevelopment Agreement dated February 5, 2019, that certain Second Amendment to Redevelopment Agreement dated September 1, 2020, that certain Third Amendment to Redevelopment Agreement dated on or about an event date herewith, and as may be further amended, revised, and supplemented from time to time, all as evidenced by Memorandum of Redevelopment Agreement dated October 16, 2018 and recorded in the Office of the Registrar of Titles, Hennepin County, Minnesota on October 26, 2018 as Document No. T05570956 (collectively, the “Redevelopment Agreement”).
3. Lot 3 Owner will be responsible for, and hereby assumes, the rights and obligations under the Redevelopment Agreement with respect to, and to the extent applicable to, the development, construction, operation, and maintenance of Lot 3 and any Element(s) constructed thereon.
4. This Acknowledgment may be recorded against Lot 3 in the Office of the Registrar of Titles, Hennepin County, Minnesota and/or other appropriate real estate recording office(s).
5. Capitalized terms, when not defined herein, shall have the meanings ascribed to them in the Redevelopment Agreement.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the undersigned has executed this Acknowledgment of the day and year first written above.

EDINA APARTMENTS, LLC,
a Minnesota limited liability company

By: _____

Name: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021,
by _____, the _____ of Edina Apartments, LLC, a Minnesota
limited liability company, a Minnesota limited liability company, on behalf of the limited liability company.

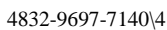
Notary Public

THIS DOCUMENT WAS DRAFTED BY:
Dorsey & Whitney LLP (ACS)
50 South Sixth Street, Suite 1500
Minneapolis, MN 55402-1498

EXHIBIT A

Lot 3 Site Plan

[See attached.]





Edina Housing and Redevelopment
Authority
Established 1974

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

Date: October 14, 2021

Agenda Item #: VII.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Bill Neuendorf, Economic Development Manager

Item Activity:
Action

Subject: Resolution 2021-12 Establishing the Eden / Willson
Redevelopment Tax Increment Financing District and
Approving a Tax Increment Financing Plan Therefor

ACTION REQUESTED:

Approve Resolution 2021-12.

INTRODUCTION:

This item pertains to the creation of a new Tax Increment Financing (TIF) District to support the redevelopment of property in an around 4917 Eden Avenue.

This Resolution has been prepared by the HRA's public financial advisors. Staff recommends approval of this Resolution.

ATTACHMENTS:

Res 2021-12 Staff Report

Resolution 2021-12 - Eden Willson TIF District

Eden Willson TIF Plan

Staff Presentation



Date: October 14, 2021

To: Chair and Commissioners of the Edina Housing and Redevelopment Authority

From: Bill Neuendorf, Economic Development Manager

Subject: Resolution 2021-12 Establish Eden Willson Increment Financing District

Information / Background:

The City and Housing and Redevelopment Authority are considering entering into a Redevelopment Agreement with Reuter Walton to provide financial assistance using Tax Increment Financing (TIF). A new TIF District is proposed to be established to enable public financing for private and public improvements.

The redevelopment project is located at 4917 Eden Avenue. The existing commercial structure is anticipated to be vacated and demolished. A new 7-story apartment building will be constructed on the site with below ground and surface parking. The building will include commercial tenant space on the first floor. Ten percent of the apartment units will be affordably-priced. In July 2021, the developer was granted preliminary rezoning and site plan approval for the mixed-use development.

Staff has met with the developer to understand the financial conditions that warrant consideration of public financing. Staff has also engaged legal and financial advisors at Ehlers Associates and Dorsey & Whitney to scrutinize the financial pro forma and provide input on the potential use of TIF for this project.

Ehlers has scrutinized the financial pro forma and determined that the financial gap in the \$83.7 million is approximately \$5.1 million. Ehlers also confirmed that “but for” the use of TIF, this project will be unable to secure private financing. In August 2021, the HRA agreed with the general business terms identified for the use of TIF.

Tax Increment Financing (TIF) is one of the financial tools available to the City 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. The City of 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 4917 Eden Apartment project can be bridged and also so that funding is available for several public improvements to the roadway network that serves the site and the general area. This recommendation is based on the following:

- District is located within the boundaries of the Southeast Edina Redevelopment Project Area
- Creation of a new 25-year Redevelopment TIF District
- Boundaries include parcels at 4917 and 4918 Eden Avenue containing three existing sub-standard buildings as well as adjacent road right of way that connects the site with the transportation network
- Redevelopment can deliver 20 units of new affordable priced housing, public parking and dedicated public land for future public improvement adjacent to Highway 100
- Redevelopment can provide funding source for related public improvements to the roadway network on Eden, Willson, Grange & 50th Street that serves the site and surrounding neighborhoods

The site has been investigated by Stantec to ensure it qualifies per the Minnesota TIF regulations. 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 Eden Willson TIF District. The TIF Plan has also been presented and discussed with the Edina Heritage Preservation Commission, Edina Park and Recreation Commission, Edina Historical Society and the Edina Planning Commission.

Please note that the action taken in this HRA Resolution only consent to the establishment of the new TIF District. The TIF Redevelopment Agreement with the developer will be considered in a separate action scheduled for the October 28th HRA meeting.

This TIF Plan will also be presented to the Edina City Council and a Public Hearing will be held for additional input on October 19th. Final action on the TIF District and the TIF Redevelopment Agreement with Reuter Walton is anticipated to occur on November 3, 2021. This is the same date that the final zoning approvals will be considered.

Staff recommends that Resolution 2021-12 be approved.



EDINA HOUSING AND REDEVELOPMENT AUTHORITY

RESOLUTION NO. 2021-12

ESTABLISHING THE EDEN / WILLSON REDEVELOPMENT 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 Eden / Willson Redevelopment 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"), 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 the 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 "redevelopment district" under Minnesota Statutes, Section 469.174, Subd. 10(a)(1) and 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 City which is already built up, will help provide employment opportunities in the State of Minnesota and will help in the preservation and enhancement of the tax base of the City and State.
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 October 14, 2021.

ATTEST:

James B. Hovland, Chair

James Pierce, Secretary

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 Regular Meeting of October 14, 2021, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this _____ day of _____, 2021.

Executive Director

Public Hearing Date: October 19, 2021

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



Modification to the Redevelopment Plan

Southeast Edina Redevelopment Project Area

&

Tax Increment Financing (TIF) Plan

Establishment of Eden / Willson Redevelopment

Tax Increment Financing District

(a redevelopment district)



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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 Southeast Edina Redevelopment Project Area originally adopted September 29, 1977, and modified from time to time. Generally, the substantive changes include the establishment of the Eden / Willson Redevelopment 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 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 establishes an interest reduction program and enlarges the project area to include the “1985 Project Area.”

August 19, 1985: The HRA and the City approved the First Amendment to the 1985 Amendment to the Southeast Edina Redevelopment Project Area Plan to enlarge the 1985 Project Area and 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 to 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 additional 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 44th 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 also establish the West 76th Street Tax Increment Financing District.

March 19, 2019: The HRA and City establish the 72nd and France Tax Increment Financing District.

December 17, 2019: The HRA and City modify the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District to designate property to be acquired and establish the Amundson Avenue Tax Increment Financing District.

August 4, 2021: The HRA and City establish the 4040 West 70th Street Tax Increment Financing District.

September 9, 2021: The HRA and City modify the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District to increase the estimated project costs expected to be paid or financed with tax increment from the Southdale 2 TIF District, to include affordable housing project costs.

(As Modified October 19, 2021)

October 19, 2021: *The HRA and City establish the Eden / Willson Redevelopment Tax Increment Financing District.*

For further information, a review of the Redevelopment Plan for 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.

Tax Increment Financing Plan for the Eden / Willson Redevelopment Tax Increment Financing District

FOREWORD

The Edina Housing and Redevelopment Authority (the "HRA"), the City of Edina (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Eden / Willson Redevelopment Tax Increment Financing District (the "District"), a redevelopment tax increment financing district, located in the Southeast Edina Redevelopment Project Area.

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 - 469.047, inclusive, as amended (the "HRA Act"), and *M.S.*, Sections 469.174 to 469.1794, inclusive, as amended (the "Tax Increment Financing Act" or "TIF 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.

STATEMENT OF OBJECTIVES

The District currently consists of two (2) parcels of land inclusive of internal and external rights-of-way, abutting roadways and intersections, pedestrian pathways and crossings depicted within the map contained in Appendix A. The District is being created to facilitate redevelopment of the 4917 Eden Avenue site including construction of a new mixed use apartment and retail redevelopment and associated public improvements in the City. Please see Appendix E for further District information. The HRA anticipates entering into an agreement with Eden Avenue Group, LLC as the developer. Development is anticipated to begin in 2022. 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 Southeast Edina Redevelopment Project Area and the District.

REDEVELOPMENT PLAN OVERVIEW

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

1. Property to be Acquired – The HRA or City currently owns one parcel of property within the District. The remaining 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.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses property identified by the parcels listed below, inclusive of adjacent rights-of-way, pedestrian pathways and crossing, and abutting roadways and intersections.

Parcel number	Address	Owner
1802824320023	4917 Eden Avenue	Eden Ventures
1802824320029	4918 and 4920 Eden Avenue*	City of Edina

** As depicted in Appendix A, the District will include only the portion of parcel #18-028-24-32-0029 west of Grange Road.*

Please also see the map in Appendix A for further information on the location of the District.

The HRA or City 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 HRA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets and sidewalks, utilities and facilities; carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan. The HRA or City 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.

The HRA or City currently owns one parcel of the property to be included in the District.

DISTRICT CLASSIFICATION

The HRA and City, in determining the need to create a tax increment financing district in accordance with the TIF Act find that the District, to be established, is a redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)*.

- The District consists of two (2) parcels.
- An inventory shows that parcels consisting of more than 70 percent of the area in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50 percent of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

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.

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

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 *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the HRA or City (a total of 26 years of tax increment). The HRA or City elects to receive the first tax increment in 2025, 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 2050, or when the TIF Plan is satisfied. The HRA or City reserves the right to decertify the District prior to the legally required date.

ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & 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 2021 for taxes payable 2022.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2025) 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 2022, assuming the request for certification is made before June 30, 2022). 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 Southeast Edina Redevelopment Project Area, upon completion of 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 2025. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity	
Estimated Project Tax Capacity (PTC)	887,151
Less: Estimated Original Net Tax Capacity (ONTC)	38,495
Less: Fiscal Disparities	<u>8,351</u>
Estimated Captured Tax Capacity (CTC)	840,304
Estimated Original Local Tax Rate	<u>107.8580%</u> Pay 2021
Estimated Annual Tax Increment (CTC x Rate)	\$906,335
Percent Retained by the HRA	100%

Note: Estimated PTC includes a 1% inflation factor for the duration of the District and is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be 691,772.

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 is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan.

SOURCES OF REVENUE/BONDS TO BE ISSUED

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	\$ 20,668,426
Interest	<u>2,066,843</u>
TOTAL	\$ 22,735,269

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 as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by a pay-as-you-go note, interfund loans, and/or a possible bond issue. 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 \$14,934,231. Such bonds may be in the form of pay-as-you-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.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate redevelopment of the property into a mixed-use apartment and commercial retail building and necessitated public infrastructure improvements. The HRA and City have determined that it will be necessary to provide assistance to the project(s) 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 following table. These estimates establish the maximum amount permitted to be expended, but the HRA and City is not obligated to expend the full amount.

USES	
Land/Building Acquisition	\$ 3,000,000
Site Improvements/Preparation	750,000
Affordable Housing	2,066,843
Utilities	1,500,000
Other Qualifying Improvements	5,550,545
Administrative Costs (up to 10%)	2,066,843
PROJECT COSTS TOTAL	\$ 14,934,231
Interest	7,801,038
PROJECT AND INTEREST COSTS TOTAL	\$ 22,735,269

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 the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan. 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*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of Southeast Edina Redevelopment Project Area, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

Pursuant to *M.S., Section 469.1763, Subd. 2(d)*, the HRA and City may elect to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the District. The HRA and City intend to pool tax increment paid by property within the District to be used to assist housing that meets the requirements contained in *M.S., Section 469.1763, Subd. 2(d)*.

FISCAL DISPARITIES ELECTION

Pursuant to *M.S., Section 469.177, Subd. 3*, the HRA or City may elect one of two methods to calculate fiscal disparities contribution of commercial-industrial net tax capacity from the District.

The HRA will choose to calculate fiscal disparities by clause b (inside the District).

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 and City have determined that such development or redevelopment would not reasonably be expected to 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 If "But/For" Not Met			
Entity	2020/Pay 2021 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Hennepin County	2,080,642,179	840,304	0.0404%
City of Edina	141,273,381	840,304	0.5948%
ISD 273 (Edina)	115,791,268	840,304	0.7257%

Impact on Tax Rates If "But/For" Not Met				
Entity	Pay 2021 Extension Rate	Percent of Total Rate	CTC	Potential Annual Taxes
Hennepin County	38.2100%	35.43%	840,304	\$ 321,080
City of Edina	28.9390%	26.83%	840,304	243,176
ISD 273 (Edina)	31.4740%	29.18%	840,304	264,477
Other	9.2350%	8.56%	840,304	77,602
	107.8580%	100.00%		\$ 906,335

The estimates listed above display the estimated CTC when all construction is completed at the end of the District. The tax rate used for calculations is the Pay 2021 rate as obtained from Hennepin County. The total net capacity for the entities listed above are based on Pay 2021 figures provided by Hennepin County. The District will be certified under the Pay 2022 rates, which were unavailable at the time this TIF Plan was prepared.

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 from property within the District that will be generated over the life of the District is \$20,668,426;

- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected, as it is with any new development. 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. However, the roadway improvements proposed as part of this redevelopment are expected to help emergency response. The City does not expect that the proposed redevelopment, in and of itself, will necessitate new capital investment in vehicles or facilities, nor an increase to staffing levels.

The probable impact of the District on Fire/EMS services is not expected to be significant. A new, fully-sprinklered, non-age restricted apartment building is expected to generate few calls, if any, and be of superior construction and compliant with the latest building codes. Some of the existing buildings, which will be eliminated or relocated by the new development, are of older construction and carry issues that are expected to be improved by the new structures and/or relocation. The City does not expect that the proposed development, in and of itself, will necessitate additional staffing or new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be moderate. The redevelopment is not expected to significantly impact any traffic movements external to the area, but new infrastructure funded by the TIF District is proposed to enhance traffic movement throughout the District. The City may need to relocate fiber optic lines near the redevelopment and road improvements as part of the infrastructure costs. The current system infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are minimal additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute an estimated \$487,060 in met council sanitary sewer (SAC) and \$878,080 in City sanitary sewer and water fees.

The probable impact of any District general obligation debt issuance on the City's ability to issue debt for general fund purposes is expected to be minimal. The City may issue general obligation tax increment revenue bonds to fund public infrastructure at some point during the District, but any such issuance is not expected to require the City's general revenue support and would not apply to the City's statutory debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the 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 all taxing jurisdictions remained the same, is \$6,031,245. The amount is calculated by multiplying the total estimated increment of \$20,668,426 by the school district's percent of the proportionate share of the total tax rate of 29.18%;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that 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 \$7,322,040. The amount is calculated by multiplying the total estimated increment of \$20,668,426 by the County's percent of the proportionate share of the total tax rate of 35.43%;
- (5) Additional information requested by the county or school district. 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.

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.

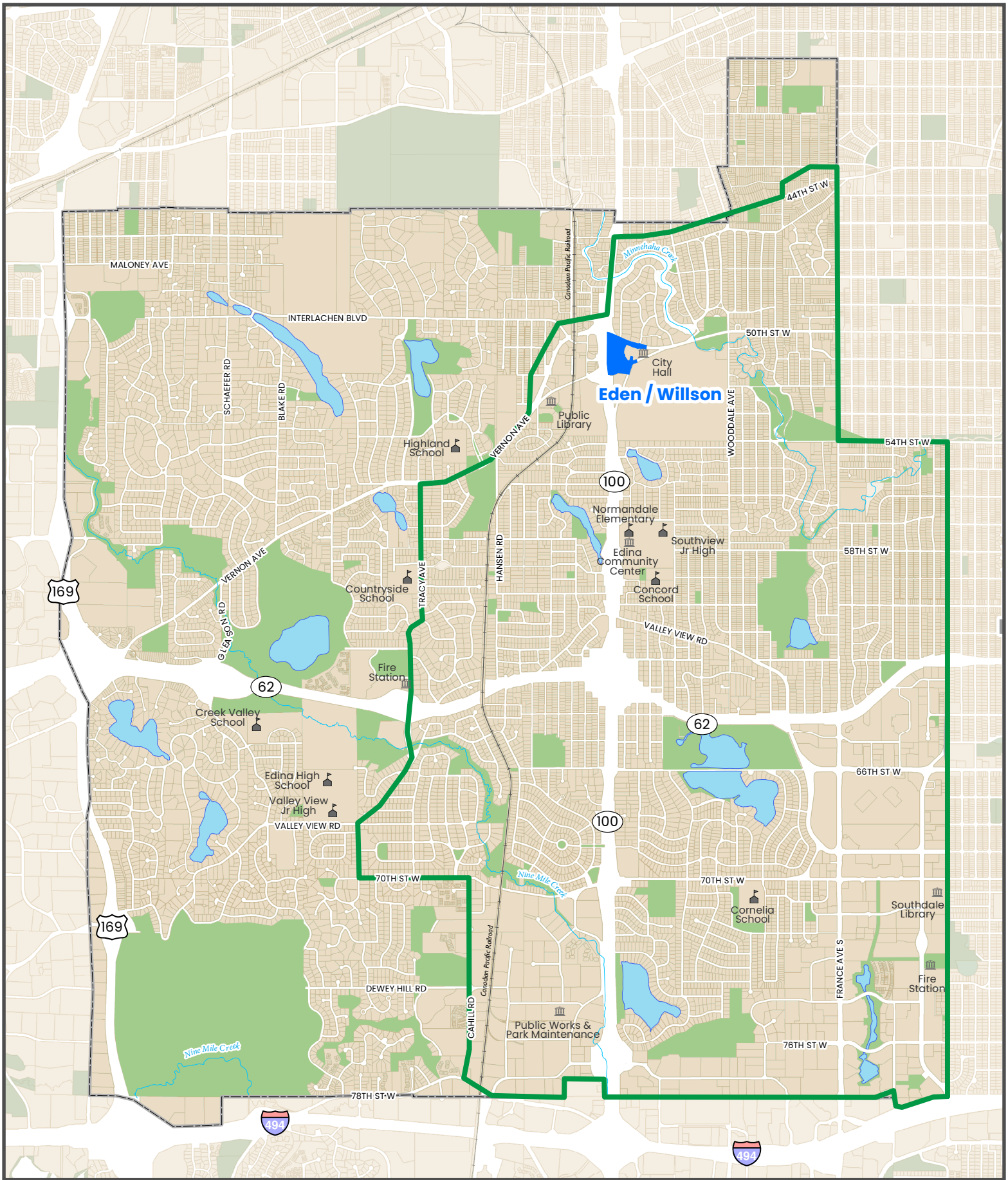
- (i) In making said determination, reliance has been placed upon (1) written representation made by the developer to such effects, (2) review of the developer's anticipated proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the TIF District and Appendix C.

- (ii) A comparative analysis of estimated market value both with and without establishment of the TIF District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the TIF District and the use of tax increments.

DISTRICT ADMINISTRATION

Administration of the District will be handled by the HRA Executive Director and Economic Development Manager.

Appendix A: Map of Southeast Edina Redevelopment Project Area and the TIF District



■ Eden / Willson TIF District

□ Southeast Edina Redevelopment Project Area



September 2021

0 2,100 Feet

0 2,100



 Eden / Willson TIF District

Appendix B: Estimated Cash Flow for the District

Eden / Willson Redevelopment TIF District

City of Edina, MN

Mixed-use Redevelopment



ASSUMPTIONS AND RATES

DistrictType:	Redevelopment
District Name/Number:	Eden / Willson
County District #:	TBD
First Year Construction or Inflation on Value	2023
Inflation Rate - Every Year:	1.00%
Interest Rate:	4.00%
Present Value Date:	1-Feb-24
First Period Ending	1-Aug-24
Tax Year District was Certified:	Pay 2022
Cashflow Assumes First Tax Increment For Development:	2025
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2050
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	33.7904% Pay 2021
Fiscal Disparities Metro-Wide Tax Rate	139.5040% Pay 2021
Maximum/Frozen Local Tax Rate:	107.858% Pay 2021
Current Local Tax Rate: (Use lesser of Current or Max.)	107.858% Pay 2021
State-wide Tax Rate (Comm./Ind. only used for total taxes)	35.9780% Pay 2021
Market Value Tax Rate (Used for total taxes)	0.21097% Pay 2021

Tax Rates

Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
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 \$174,000	0.75%
Over \$174,000	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)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/Phase
1	1802824320023	Eden Ventures		3,078,600	1,000	3,079,600	100%	3,079,600	Pay 2022	C/I Pref.	60,842	Rental	38,495	1
2	1802824320029	City of Edina		0	0	0	100%	0	Pay 2022	Exempt	-	Rental	-	2
				3,078,600	1,000	3,079,600		3,079,600			60,842		38,495	

Note:

1. Base values are for pay 2022 based upon review of County website on September 13, 2021.
2. Located in SD # 273 and WS # 3.

Eden / Willson Redevelopment TIF District

City of Edina, MN
Mixed-use Redevelopment



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2023	Percentage Completed 2024	Percentage Completed 2025	Percentage Completed 2026	First Year Full Taxes Payable
1	Apartments	274,490	274,490	196	53,800,000	Rental	672,500	3,431	100%	100%	100%	100%	2025
	Retail	300	300	3,337	1,001,100	C/I Pref.	19,272	6	100%	100%	100%	100%	2025
TOTAL					54,801,100		691,772						
Subtotal Residential				196	53,800,000		672,500						
Subtotal Commercial/Ind.				3,337	1,001,100		19,272						

Note:

1. Market values are based upon preliminary estimates from the Assessor's Office.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	672,500	0	672,500	725,345	0	0	113,502	838,847	4,279.83
Retail	19,272	6,512	12,760	13,763	9,085	6,394	2,112	31,353	9.40
TOTAL	691,772	6,512	685,260	739,108	9,085	6,394	115,614	870,200	

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	870,200
less State-wide Taxes	(6,394)
less Fiscal Disp. Adj.	(9,085)
less Market Value Taxes	(115,614)
less Base Value Taxes	(41,520)
Annual Gross TIF	697,588

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	3,079,600
New Market Value - Est.	54,801,100
Difference	51,721,500
Present Value of Tax Increment	12,043,964
Difference	39,677,536
Value likely to occur without Tax Increment is less than:	39,677,536



Eden / Willson Redevelopment TIF District
City of Edina, MN
Mixed-use Redevelopment

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				08/01/24
														02/01/25
100%	691,772	(38,495)	(6,512)	646,765	107.858%	697,588	348,794	(1,256)	(34,754)	312,784	294,744	0.5	2025	08/01/25
							348,794	(1,256)	(34,754)	312,784	583,708	1	2025	02/01/26
100%	698,690	(38,495)	(6,577)	653,618	107.858%	704,979	352,489	(1,269)	(35,122)	316,098	870,008	1.5	2026	08/01/26
							352,489	(1,269)	(35,122)	316,098	1,150,694	2	2026	02/01/27
100%	705,677	(38,495)	(6,643)	660,539	107.858%	712,444	356,222	(1,282)	(35,494)	319,446	1,428,791	2.5	2027	08/01/27
							356,222	(1,282)	(35,494)	319,446	1,701,435	3	2027	02/01/28
100%	712,733	(38,495)	(6,709)	667,529	107.858%	719,983	359,992	(1,296)	(35,870)	322,826	1,971,561	3.5	2028	08/01/28
							359,992	(1,296)	(35,870)	322,826	2,236,391	4	2028	02/01/29
100%	719,861	(38,495)	(6,777)	674,589	107.858%	727,598	363,799	(1,310)	(36,249)	326,241	2,498,774	4.5	2029	08/01/29
							363,799	(1,310)	(36,249)	326,241	2,756,013	5	2029	02/01/30
100%	727,059	(38,495)	(6,844)	681,720	107.858%	735,290	367,645	(1,324)	(36,632)	329,689	3,010,873	5.5	2030	08/01/30
							367,645	(1,324)	(36,632)	329,689	3,260,736	6	2030	02/01/31
100%	734,330	(38,495)	(6,913)	688,922	107.858%	743,058	371,529	(1,338)	(37,019)	333,172	3,508,288	6.5	2031	08/01/31
							371,529	(1,338)	(37,019)	333,172	3,750,986	7	2031	02/01/32
100%	741,673	(38,495)	(6,982)	696,196	107.858%	750,903	375,452	(1,352)	(37,410)	336,690	3,991,438	7.5	2032	08/01/32
							375,452	(1,352)	(37,410)	336,690	4,227,174	8	2032	02/01/33
100%	749,090	(38,495)	(7,052)	703,543	107.858%	758,828	379,414	(1,366)	(37,805)	340,243	4,460,728	8.5	2033	08/01/33
							379,414	(1,366)	(37,805)	340,243	4,689,702	9	2033	02/01/34
100%	756,581	(38,495)	(7,122)	710,964	107.858%	766,831	383,416	(1,380)	(38,204)	343,832	4,916,554	9.5	2034	08/01/34
							383,416	(1,380)	(38,204)	343,832	5,138,957	10	2034	02/01/35
100%	764,147	(38,495)	(7,193)	718,458	107.858%	774,915	387,457	(1,395)	(38,606)	347,456	5,359,299	10.5	2035	08/01/35
							387,457	(1,395)	(38,606)	347,456	5,575,320	11	2035	02/01/36
100%	771,788	(38,495)	(7,265)	726,028	107.858%	783,079	391,540	(1,410)	(39,013)	351,117	5,789,337	11.5	2036	08/01/36
							391,540	(1,410)	(39,013)	351,117	5,999,157	12	2036	02/01/37
100%	779,506	(38,495)	(7,338)	733,673	107.858%	791,325	395,663	(1,424)	(39,424)	354,814	6,207,029	12.5	2037	08/01/37
							395,663	(1,424)	(39,424)	354,814	6,410,825	13	2037	02/01/38
100%	787,301	(38,495)	(7,411)	741,395	107.858%	799,653	399,827	(1,439)	(39,839)	358,549	6,612,728	13.5	2038	08/01/38
							399,827	(1,439)	(39,839)	358,549	6,810,673	14	2038	02/01/39
100%	795,174	(38,495)	(7,485)	749,194	107.858%	808,065	404,033	(1,455)	(40,258)	362,320	7,006,777	14.5	2039	08/01/39
							404,033	(1,455)	(40,258)	362,320	7,199,036	15	2039	02/01/40
100%	803,126	(38,495)	(7,560)	757,070	107.858%	816,561	408,281	(1,470)	(40,681)	366,130	7,389,508	15.5	2040	08/01/40
							408,281	(1,470)	(40,681)	366,130	7,576,244	16	2040	02/01/41
100%	811,157	(38,495)	(7,636)	765,026	107.858%	825,142	412,571	(1,485)	(41,109)	369,977	7,761,243	16.5	2041	08/01/41
							412,571	(1,485)	(41,109)	369,977	7,942,614	17	2041	02/01/42
100%	819,269	(38,495)	(7,712)	773,061	107.858%	833,809	416,904	(1,501)	(41,540)	373,863	8,122,297	17.5	2042	08/01/42
							416,904	(1,501)	(41,540)	373,863	8,298,456	18	2042	02/01/43
100%	827,461	(38,495)	(7,789)	781,177	107.858%	842,562	421,281	(1,517)	(41,976)	377,788	8,472,975	18.5	2043	08/01/43
							421,281	(1,517)	(41,976)	377,788	8,644,071	19	2043	02/01/44
100%	835,736	(38,495)	(7,867)	789,374	107.858%	851,403	425,701	(1,533)	(42,417)	381,752	8,813,573	19.5	2044	08/01/44
							425,701	(1,533)	(42,417)	381,752	8,979,751	20	2044	02/01/45
100%	844,093	(38,495)	(7,946)	797,652	107.858%	860,332	430,166	(1,549)	(42,862)	385,756	9,144,380	20.5	2045	08/01/45
							430,166	(1,549)	(42,862)	385,756	9,305,780	21	2045	02/01/46
100%	852,534	(38,495)	(8,025)	806,014	107.858%	869,350	434,675	(1,565)	(43,311)	389,799	9,465,674	21.5	2046	08/01/46
							434,675	(1,565)	(43,311)	389,799	9,622,434	22	2046	02/01/47
100%	861,060	(38,495)	(8,106)	814,459	107.858%	878,459	439,230	(1,581)	(43,765)	393,883	9,777,729	22.5	2047	08/01/47
							439,230	(1,581)	(43,765)	393,883	9,929,980	23	2047	02/01/48
100%	869,670	(38,495)	(8,187)	822,988	107.858%	887,659	443,829	(1,598)	(44,223)	398,008	10,080,809	23.5	2048	08/01/48
							443,829	(1,598)	(44,223)	398,008	10,228,680	24	2048	02/01/49
100%	878,367	(38,495)	(8,269)	831,603	107.858%	896,951	448,475	(1,615)	(44,686)	402,175	10,375,169	24.5	2049	08/01/49
							448,475	(1,615)	(44,686)	402,175	10,518,786	25	2049	02/01/50
100%	887,151	(38,495)	(8,351)	840,304	107.858%	906,335	453,168	(1,631)	(45,154)	406,383	10,661,061	25.5	2050	08/01/50
							453,168	(1,631)	(45,154)	406,383	10,800,545	26	2050	02/01/51
Total							20,743,101	(74,675)	(2,066,843)	18,601,584				
Present Value From 02/01/2024							12,043,964	(43,358)	(1,200,061)	10,800,545				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Eden / Willson Redevelopment Tax Increment Financing District (the “District”), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that Eden / Willson Redevelopment Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

The District consists of two (2) parcels within the Southeast Edina Redevelopment Project Area and their internal and external rights-of-way, abutting roadways and intersections, pedestrian pathways and crossings, all with plans to redevelop the area for redevelopment and construction of a mixed use apartment and retail building. Parcels consisting of 70 percent of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

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 and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Eden / Willson Redevelopment Tax Increment Financing District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, 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 activities proposed in the TIF Plan meets the City's objectives for redevelopment. The existing property contains substandard buildings whose renovation requires high costs related to demolition, remediation and reconstruction of infrastructure. The redevelopment also requires substantial investment toward public improvements such as local transportation and utility infrastructure and shared public parking. The combination of limited amounts of property available for expansion adjacent to the existing redevelopment site, height/density limitations, and the public and private cost of financing the proposed improvements which

are essential to the comprehensive redevelopment of the area, this project is feasible only through assistance, in part, from tax increment financing.

The developer provided a proforma outlining project sources and uses as well as projected rent, vacancy and financing assumptions. City staff and the City's financial advisor reviewed the information and have determined that the project is not feasible without assistance due to anticipated rent levels and market returns not supporting the redevelopment costs for this site. The term of assistance for the redevelopment project is expected to be less than the maximum 26-year term of a redevelopment district.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the development intensity and tax base created on currently underutilized and declining property requires site and public improvement costs that are improbable without public assistance. Specifically, the cost of site preparation, demolition, remediation, and public improvements to include transportation and utility infrastructure will add significantly to the total redevelopment cost of any development in this area. Site and public improvements costs necessary to sustain the approved density have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
- b. If the proposed development occurs, the total estimated increase in taxable market value will be \$51,721,500.
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$12,043,964.

- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a taxable market value increase greater than \$39,677,536 (the amount in clause b less the amount in clause c) without tax increment assistance.

3. Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.

The City of Edina Planning Commission reviewed the TIF Plan on 10/13/2021 and approved Resolution PC-B-21-31 to provide written opinion affirming that the TIF Plan conforms to the general development plan of the City.

4. Finding that the TIF Plan for Eden / Willson Redevelopment Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Southeast Edina Redevelopment Project Area by private enterprise.

Through the implementation of the TIF Plan, the City will provide an impetus for the construction of a new mixed-use private development which will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high-quality development to the City.

Appendix D: Redevelopment Qualifications for the District

Report of
Inspection Procedures and Results
For
Determining Qualifications of a
Tax Increment Financing (TIF) District
as a Redevelopment or Renewal/Renovation
District



The CITY of
EDINA

Edina HRA
Potential TIF District
Eden/Willson Avenue
Edina, Minnesota



Stantec Project No. 193805291

October 4, 2021

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PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

Stantec was retained by City of Edina HRA to evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) to be established by the City of Edina.

The potential TIF District is located in the City of Edina and includes two parcels (PID: 1802824320023 and PID: 1802824320029). The parcels are bounded by Vernon Avenue South on the north, Willson Road on the east, Eden Avenue on the south, and Highway 100 on the west. (See Figure 1).

The purpose of Stantec’s work was to determine whether the potential district meets the statutory requirements for coverage, and whether buildings on these parcels, located within the potential TIF District, meets the qualifications required for a Redevelopment or Renewal/Renovation District.

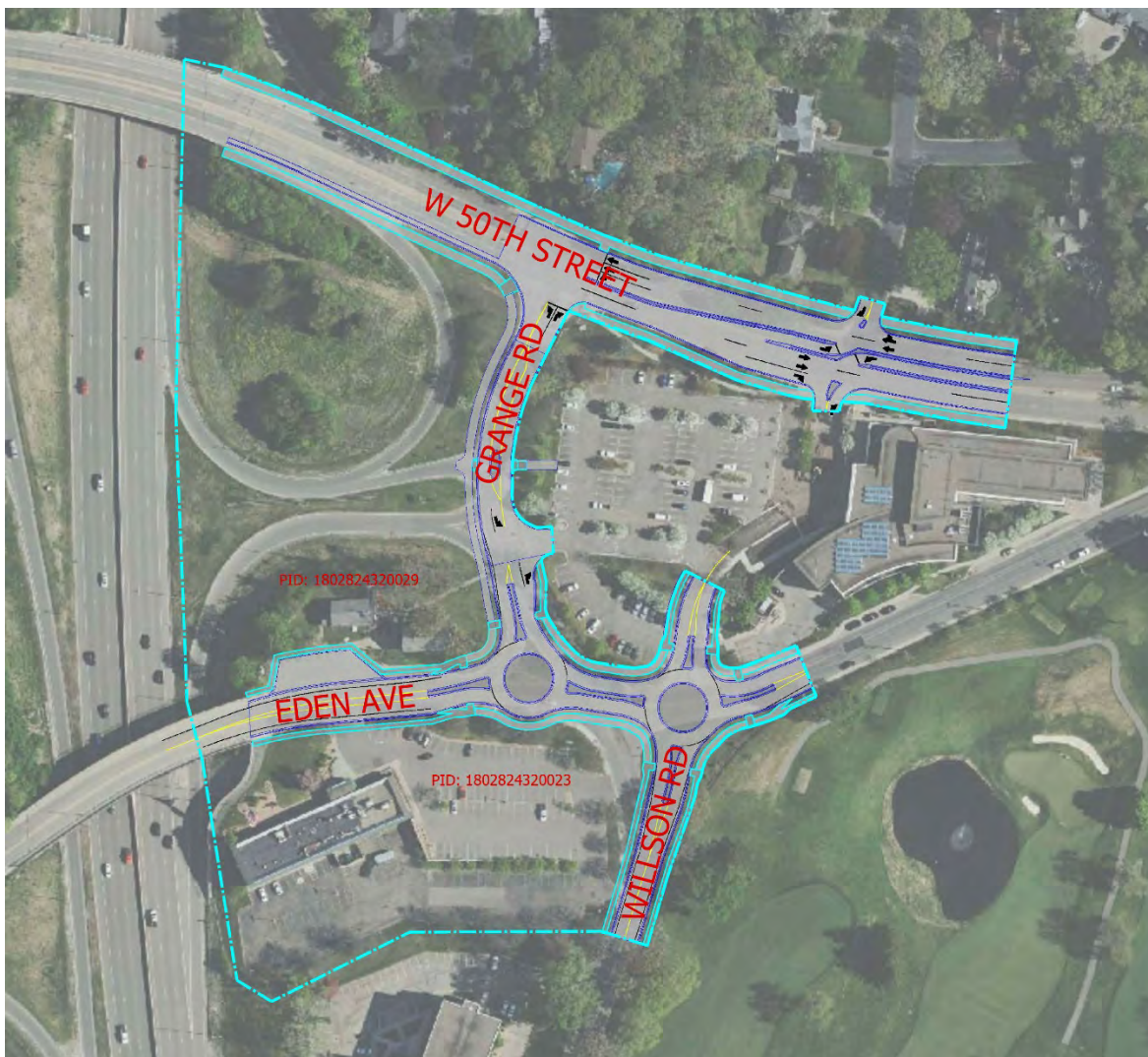


Figure 1 – Potential TIF District

SCOPE OF WORK

The potential TIF District Area is comprised of one parcel containing one (1) commercial building currently owned by Eden Ventures LLC and one parcel containing two (2) historic buildings currently listed on the National Register of Historic Places and owned by the City of Edina.

The three buildings in the potential district received an onsite interior and exterior inspection.

Building Code and Condition Deficiency Reports for the buildings inspected by Stantec are in Appendix B.

CONCLUSION

After inspecting and evaluating the property within the potential TIF District and applying current statutory criteria for a Redevelopment or Renewal/Renovation District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the potential TIF District does qualify as a Redevelopment or Renewal/Renovation District.

The remainder of this report describes the process and findings in detail.

PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10*, which states:

Interior Inspection

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

Exterior Inspection and Other Means

"An interior inspection of the property is not required, if the municipality finds that (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

Documentation

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

Qualification Requirements

Minnesota Statutes, Section 469.174, Subdivision 10(a) requires two tests for occupied parcels:

1. Coverage Test

"...parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states: "For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

2. Condition of Building Test

..."and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

1. Structurally substandard is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, which states: "For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

2. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in *Subdivision 10(c)* which states:

"A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

PART 3 – PROCEDURES FOLLOWED

Stantec performed interior and exterior inspections of the commercial building located at 4917 Eden Avenue within the Potential TIF District on April 6, 2021 and the two buildings located at 4918 Eden Avenue within the Potential TIF District on August 25, 2021. Visual observations were made of all levels of the commercial buildings, with physical measurements taken where necessary. Construction data is based upon information from various sources, as noted.

PART 4 – FINDINGS

A. Coverage Test

1. The total square foot area of the parcels was obtained from Hennepin County Property Map GIS mapping and site verification.
2. The total square foot area of building and site improvements on the parcels in the potential TIF District Area were obtained from Hennepin County Property Map GIS mapping, Owner-provided documentation, and site verification.
3. The percentage of coverage for the parcels in the Potential TIF District Area was computed to determine if the parcel meets the 15 percent minimum requirement.

Findings:

The Potential TIF District Area parcels meet the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*.

The following areas are per the Hennepin County GIS Interactive Maps:

Area of Parcel

PID 1802824320023: 2.08 acres or 90,546 square feet

Area of Building Footprint:

9,757 square feet per floor (197'-9 3/8" x 49'-4")

PID 1802824320029: 0.58 acres or 25,208 square feet

Area of Building Footprints:

Historic Cahill School: 1,074 square feet

Minnehaha Grange Hall: 1,414 square feet

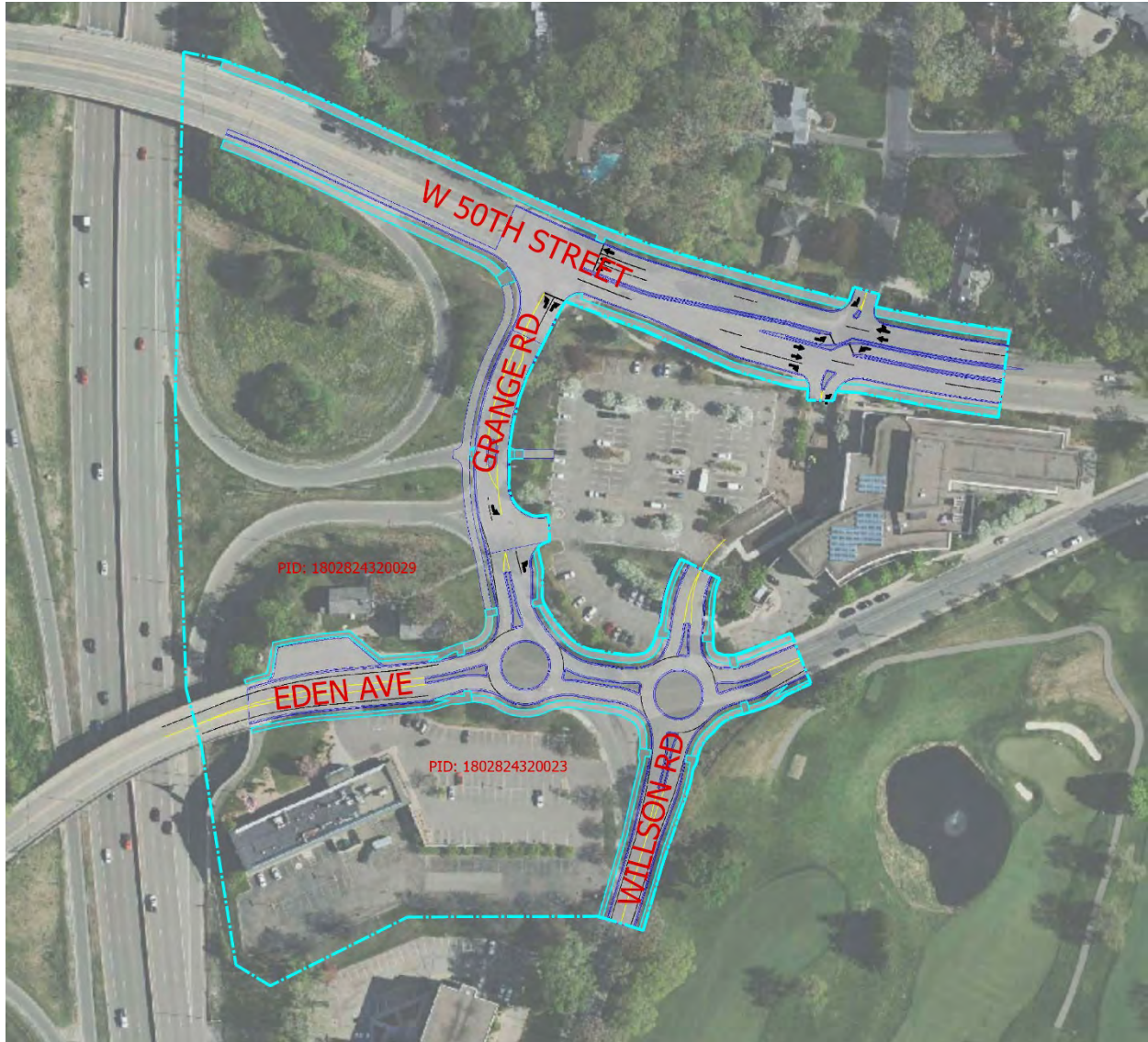


Figure 2 – Coverage Test Aerial View

POTENTIAL TIF DISTRICT

Parcel ID	Parcel Area	Coverage Area	Coverage Percentage
1802824320023	90,546 SF	72,357 SF	79.9%
1802824320029	25,208 SF	7,059 SF	28.1%

B. Condition of Building Test

1. Replacement Cost

The first step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost.

This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using *R.S. Means Cost Works square foot models for 2021*.

A replacement cost was calculated by first establishing building use (office, retail, restaurant, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Edina, Minnesota.

Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural design fees, legal fees or other "soft" costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix C.

2. Code Deficiencies

The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.

Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. Thus, it was necessary to determine the extent of code deficiencies for the building in the potential TIF District.

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the building. Stantec utilized the 2020 Minnesota State Building Code as the official code for their evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used *R.S. Means Cost Works 2021: Unit and Assembly Costs* to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of the building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

Finding:

The buildings in the Potential TIF District Area contains code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. A complete Building Code and Condition Deficiency report for each building in the Potential TIF District can be found in Appendix B of this report.

3. System Condition Deficiencies

System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.

The evaluation was made by reviewing all available information contained in City records, as well performing interior and exterior inspections of the buildings.

Stantec only identified system condition deficiencies that were visible during our inspection of the building. We did not consider the amount of "service life" used up for a particular component unless it was an obvious part of that component's deficiencies.

Minnesota Statutes, Section 469.174, Subdivision 10(c), provides for the minimum threshold of code deficiencies that must be met in order to consider a building substandard. If a building meets the minimum code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, then in order for such building to be "structurally substandard" under *Minnesota Statutes, Section 469.174, Subdivision 10(b)*, the building's defects or deficiencies should be of sufficient total significance to justify substantial renovation or clearance." Based on this definition, Stantec re-evaluated each of the buildings that met the code deficiency threshold under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, to determine if the total deficiencies warranted "substantial renovation or clearance" based on the criteria outlined above.

Finding:

In our professional opinion, the buildings in the Potential TIF District Area are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance as described in Appendix B.

The two buildings on PID 1802824320029 are the Historic Cahill School and Minnehaha Grange Hall. Both buildings are on the National Register of Historic Places. It is our understanding these two buildings will be relocated to a more suitable site due to their historic nature and importance to the City of Edina.

C. Distribution of Substandard Structures

Much of this report has focused on the condition of the building as it relates to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of the substandard buildings within the geographic area of the Potential TIF District Area.

Finding:

The substandard buildings are reasonably distributed throughout the geographic area of the Potential TIF District Area (Figure 3).



Figure 3 – Distribution of Substandard Structures

D. CONCLUSION

After inspecting and evaluating the properties within the Potential TIF District and applying current statutory criteria for a Redevelopment or Renewal/Renovation District under *Minnesota Statutes, Section 469.174, Subdivision 10a*, it is our professional opinion that the Potential TIF District does qualify as a Redevelopment or Renewal/Renovation District.

The remainder of this report describes our process and findings in detail.

PART 5 – TEAM CREDENTIALS

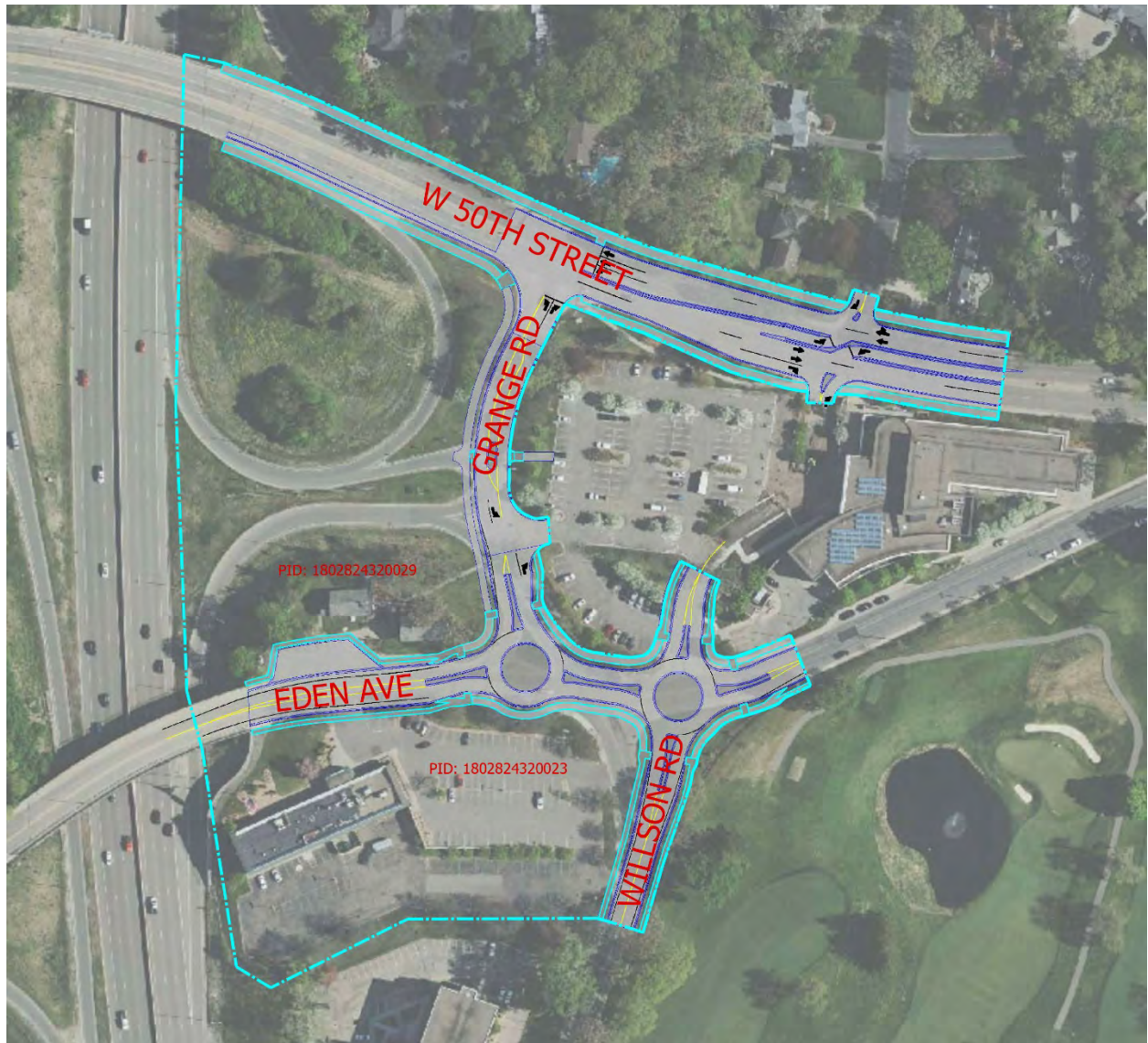
Stantec Architecture Inc.

Bruce P. Paulson – Senior Project Manager/Architect

MN Registration #20910

Bruce has more than 45 years of architectural experience as project architect, project manager, and project designer for municipal, governmental, educational, commercial, hospitality, and healthcare clients. He is involved with all phases of the architectural process, from pre-design through construction administration, including specialty consulting in investigations for buildings, building condition surveys, TIF inspections, code reviews, estimating, and specification writing.

APPENDIX A



Potential Eden/Willson Avenue TIF District Boundary



Hennepin County Property Map

Date: 5/7/2021



PARCEL ID: 1802824320023

OWNER NAME: Eden Ventures Llc

PARCEL ADDRESS: 4917 Eden Ave, Edina MN 55436

PARCEL AREA: 2.08 acres, 90,546 sq ft

A-T-B: Torrens

SALE PRICE: \$4,200,000

SALE DATA: 11/2007

SALE CODE: Excluded From Ratio Studies

ASSESSED 2020, PAYABLE 2021

PROPERTY TYPE: Commercial-Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$3,079,600

TAX TOTAL: \$99,960.32

ASSESSED 2021, PAYABLE 2022

PROPERTY TYPE: Commercial

HOMESTEAD: Non-homestead

MARKET VALUE: \$3,079,600

Comments:

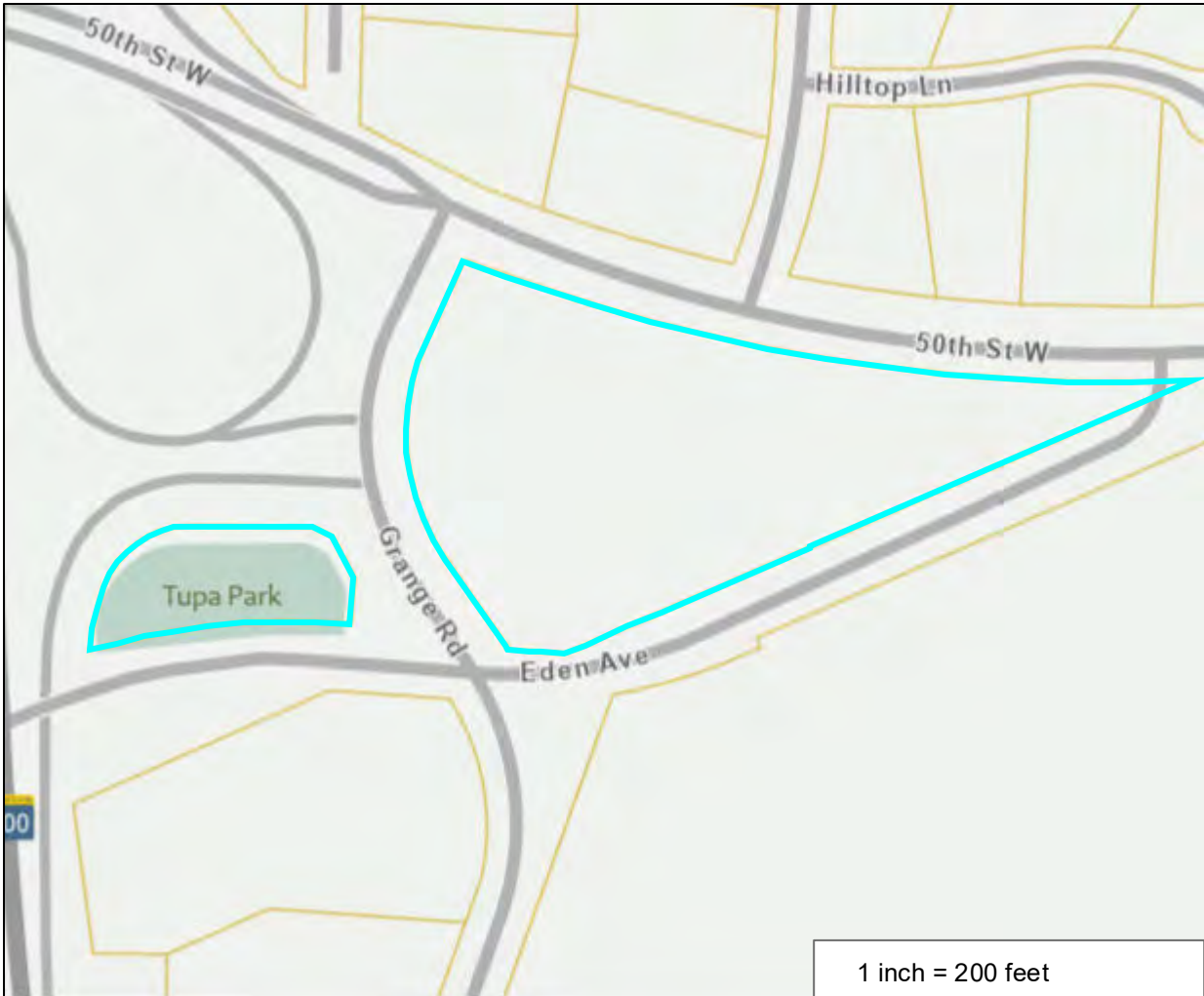
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Hennepin County Property Map

Date: 8/25/2021



PARCEL ID: 1802824320029

OWNER NAME: City Of Edina

PARCEL ADDRESS: 4801 50th St W, Edina MN 55424

PARCEL AREA: 4.51 acres, 196,668 sq ft

A-T-B: Both

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2020, PAYABLE 2021

PROPERTY TYPE: Residential

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2021, PAYABLE 2022

PROPERTY TYPE: Residential

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

This data (i) is furnished 'AS IS' with no representation as to completeness or accuracy; (ii) is furnished with no warranty of any kind; and (iii) is not suitable for legal, engineering or surveying purposes. Hennepin County shall not be liable for any damage, injury or loss resulting from this data.

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APPENDIX B

**EDINA HRA
POTENTIAL EDEN/WILLSON AVENUE TIF DISTRICT
FULL BUILDING REPLACEMENT ESTIMATED COSTS**

May 30, 2021

The first step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost.

This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2021.

A replacement cost was calculated by first establishing building use (office, restaurant, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Edina, Minnesota.

Replacement cost includes labor, materials, and the contractor's overhead and profit. Replacement costs do not include architectural design fees, legal fees, or other "soft" costs not directly related to construction activities.

Property ID No. & Property Address:	1802824320023	4917 Eden Avenue
General Description of Property:	2-story Commercial Restaurant/Office Building	
Type of Construction:	Concrete block bearing walls at lower level with brick and stone veneer; concrete block and wood stud exterior walls at upper level with brick wainscot, stone accents, and wood siding; built-up roofing system over roof sheathing on wood roof joists	
Date of Construction:	1973	
Story Height:	15'-0" lower level; 12'-0" upper level	
Building Perimeter:	494'-3"	
Structure Size:	19,514 GSF Total	
Estimated Replacement Cost:	Restaurant, 4,972 SF	\$1,176,427.23
	Office, 14,542 SF	<u>\$2,232,722.99</u>
Total Estimated Replacement Cost:		\$3,409,150.22

Property ID No. & Property Address:	1802824320029	4918 Eden Avenue
Inspection Date(s) and Time(s):	8-25-2021, 7:45 a.m.	
Inspection Type:	Interior and exterior.	
General Description of Property:	Historic Cahill School; Single story schoolhouse with full basement	
Type of Construction:	Concrete block foundation walls with stone veneer above grade; wood stud exterior walls at main level with painted wood lap siding; cedar shingles on wood roof joists	
Date of Construction:	1864	
Story Height:	9'-0" lower level; 11'-6" upper level	
Building Perimeter:	134'-0"	
Structure Size(s):	2,147 GSF Total	
Estimated Replacement Cost:		\$420,623.67

Property ID No. & Property Address:	1802824320029	4918 Eden Avenue
Inspection Date(s) and Time(s):	8-25-2021, 8:30 a.m.	
Inspection Type:	Interior and exterior.	
General Description of Property:	Grange Hall; Single story grange hall with balcony and full basement	
Type of Construction:	Concrete block foundation walls; wood stud exterior walls at main level with painted wood lap siding; cedar shingles on wood roof joists	
Date of Construction:	1879	
Story Height:	8'-0" lower level; 13'-10" main level; 10'-0" balcony	
Building Perimeter:	161'-4"	
Structure Size(s):	3,158 GSF Total	
Estimated Replacement Cost:	\$574,060.81	

APPENDIX C

**EDINA HRA
POTENTIAL EDEN/WILLSON AVENUE TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

August 30, 2021

Property ID No. & Property Address:	1802824320023	4917 Eden Avenue
Inspection Date(s) and Time(s):	4-6-2021, 1:00 p.m.	
Inspection Type:	Interior and exterior.	
General Description of Property:	2-story Commercial Restaurant/Office Building	
Type of Construction:	Concrete block bearing walls at lower level with brick and stone veneer; concrete block and wood stud exterior walls at upper level with brick wainscot, stone accents, and wood siding; built-up roofing system over roof sheathing on wood roof joists	
Date of Construction:	1973	
Story Height:	15'-0" lower level; 12'-0" upper level	
Building Perimeter:	494' -3"	
Structure Size(s):	19,514 GSF Total	

Summary of Deficiencies: It is our professional opinion that this building is **Substandard** because:

- o Estimated cost to correct building code deficiencies is more than 15% of the estimated replacement cost.

Estimated Replacement Cost:	\$3,409,150.22
Estimated Cost to Correct Building Code Deficiencies:	\$1,147,368.25

Percentage of Replacement Cost for Building Code Deficiencies:	33.6%
---	--------------

Description of Condition Deficiencies

- Lower level: restrooms do not comply with current ADA requirements.
- Lower level: Entry vestibule depth does not comply with current ADA requirements.
- Both stairs do not comply with current requirements for tread depth and riser height. Handrails and guardrails do not comply with current code requirements.
- Upper level office entry vestibule: depth does not comply with current ADA requirements.
- Upper level: restrooms do not comply with current ADA requirements.
- Restaurant: No smoke detectors.
- Restaurant: Emergency exit is via exterior catwalk at south wall. Stair at east end of catwalk does not comply with current code requirements for minimum tread depth and maximum riser height.
- Interior: Lighting systems do not comply with current energy code.
- Interior: Current HVAC systems do not meet current indoor air quality requirements.
- Interior: Current fire alarm system does not have strobes.
- Exterior: Wall systems do not comply with current code requirements for R-value.
- Roof access is via vertical ladder which does not comply with current codes for roof top equipment requiring regular replacement of filters. Current code requires a ships ladder with maximum 60 degree slope.
- Built-up roofing systems do not comply with current code requirements for R-value.

**EDINA HRA
POTENTIAL EDEN/WILLSON AVENUE TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

August 30, 2021

Property ID No. & Property Address:	1802824320029	4918 Eden Avenue
Inspection Date(s) and Time(s):	8-25-2021, 7:45 a.m.	
Inspection Type:	Interior and exterior.	
General Description of Property:	Historic Cahill School; Single story schoolhouse with full basement	
Type of Construction:	Concrete block foundation walls with stone veneer above grade; wood stud exterior walls at main level with painted wood lap siding; cedar shingles on wood roof joists	
Date of Construction:	1864	
Story Height:	9'-0" lower level; 11'-6" upper level	
Building Perimeter:	134'-0"	
Structure Size(s):	2,147 GSF Total	

Summary of Deficiencies: It is our professional opinion that this building is **Substandard** because:

- o Estimated cost to correct building code deficiencies is more than 15% of the estimated replacement cost.

Estimated Replacement Cost: **\$420,623.67**

Estimated Cost to Correct Building Code Deficiencies: **\$185,183.00**

Percentage of Replacement Cost for Building Code Deficiencies: **44%**

Description of Condition Deficiencies

- Lower level: restrooms do not comply with current ADA requirements.
- Lower level: No accessible route.
- Lower level: Windows are single pane.
- Stair to lower level does not comply with current requirements for tread depth and riser height. Handrails and guardrails do not comply with current code requirements.
- Main level: Accessible from east side by ramp, but the doors do not comply with current ADA requirements for clear width. Both doors are 34" wide. Door thresholds are not ADA compliant.
- Main level: No restrooms.
- Main level: Windows are single pane.
- Interior: Lighting systems do not comply with current energy code.
- Interior: Current HVAC systems do not meet current indoor air quality requirements.
- Exterior: Wall systems do not comply with current code requirements for R-value.
- Attic: No insulation. Does not comply with current code requirements for R-value.

**EDINA HRA
POTENTIAL EDEN/WILLSON AVENUE TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

August 30, 2021

Property ID No. & Property Address:	1802824320029	4918 Eden Avenue
Inspection Date(s) and Time(s):	8-25-2021, 8:30 a.m.	
Inspection Type:	Interior and exterior.	
General Description of Property:	Grange Hall; Single story grange hall with balcony and full basement	
Type of Construction:	Concrete block foundation walls; wood stud exterior walls at main level with painted wood lap siding; cedar shingles on wood roof joists	
Date of Construction:	1879	
Story Height:	8'-0" lower level; 13'-10" main level; 10'-0" balcony	
Building Perimeter:	161'-4"	
Structure Size(s):	3,158 GSF Total	

Summary of Deficiencies: It is our professional opinion that this building is **Substandard** because:

- o Estimated cost to correct building code deficiencies is more than 15% of the estimated replacement cost.

Estimated Replacement Cost: **\$574,060.81**

Estimated Cost to Correct Building Code Deficiencies: **\$257,701.00**

Percentage of Replacement Cost for Building Code Deficiencies: **44.9%**

Description of Condition Deficiencies

- Lower level: restrooms do not comply with current ADA requirements.
- Lower level: No accessible route.
- Lower level: Windows are single pane.
- Stairs to lower level and balcony do not comply with current requirements for tread depth and riser height. Handrails and guardrails do not comply with current code requirements.
- Main level: No restrooms.
- Main level: Windows are single pane.
- Balcony: Windows are single pane.
- Interior: Lighting systems do not comply with current energy code.
- Interior: Current HVAC systems do not meet current indoor air quality requirements.
- Interior: No fire alarm system. No fire sprinkler system.
- Exterior: Wall systems do not comply with current code requirements for R-value.
- Attic: No insulation. Does not comply with current code requirements for R-value.

APPENDIX D

**EDINA HRA
POTENTIAL EDEN/WILLSON AVENUE TIF DISTRICT
CODE DEFICIENCY ESTIMATED REPLACEMENT COSTS**

Property ID No. & Property Address:	1802824320023	4917 Eden Avenue
Restroom upgrade – demolition and new construction		
Lower level – 172 SF x \$575/SF		\$98,900.00
Mens Restroom: 1 water closet, 1 urinal, 1 lavatory		
Womens Restroom: 1 water closets, 1 lavatory		
Upper level – 218 SF x \$575/SF		\$125,350.00
Mens Restrooms (2): 2 water closets, 2 lavatories		
Womens Restrooms (2): 2 water closets, 2 lavatories		
Office Restroom: 1 water closet, 1 lavatory, 1 shower		
Lower level entry upgrade - demolition and new construction		
Increase depth of entry vestibule to comply with ADA requirements		
5'-0" x 8'-0" = 40 SF x \$150/SF		\$6,000.00
Upgrade stairs from lower level to upper level (includes removal)		
Metal pan stairs for concrete in-fill, picket rail, 26 risers, w/ landing		
2 flights of stair - \$36,400/flight x 2		\$72,800.00
Upper level Office entry upgrade - demolition and new construction		
Increase depth of entry vestibule to comply with ADA requirements		
5'-0" x 8'-0" = 40 SF x \$150/SF		\$6,000.00
Add smoke detectors in restaurant		
Install smoke detectors – 3,750 SF x \$2.00/SF		\$7,500.00
Upgrade lighting systems to meet current codes		
Replace light fixtures; provide daylighting and occupancy sensors for lighting control – 19,514 SF x \$12.50/SF		\$243,925.00
Upgrade HVAC system to meet current codes		
Replace rooftop air handling units with new units - 19,514 SF x \$11.75/SF		\$229,289.50
Upgrade fire alarm system to add strobes to meet current codes		
Add strobes to existing fire alarm system - 19,514 SF x \$1.50/SF		\$29,271.00
Upgrade exterior walls to meet current R-value code requirements		
Install R-15 insulation, 3-5/8" metal studs @ 24" on center, 5/8" gypsum board taped, sanded and painted - 11,860 SF x \$6.50/SF		\$77,090.00
Replace existing built-up roofing system		
Remove existing roofing – 9,757 SF x \$7.25/SF		\$70,738.25
Install new 4-ply built-up roofing system w/ 5" polyisocyanurate roof insulation, thermal barrier and vapor barrier 9,757 x \$18.50/SF		\$180,504.50
Estimated Cost to Correct Building Code Deficiencies:		\$1,147,368.25

**EDINA HRA
POTENTIAL EDEN/WILLSON AVENUE TIF DISTRICT
CODE DEFICIENCY ESTIMATED REPLACEMENT COSTS**

Property ID No. & Property Address: 1802824320029 4918 Eden Avenue

HISTORIC CAHILL SCHOOL

Restroom upgrade – demolition and new construction

Lower level – 120 SF x \$575/SF \$68,000.00

Mens Restroom: 1 water closet, 1 lavatory

Womens Restroom: 1 water closet, 1 lavatory

Upgrade lower level windows to insulating panes (3 windows @ 5 SF each) \$1,500.00

Upgrade stairs from lower level to main level (includes removal)

Metal pan stairs for concrete in-fill, picket rail, 18 risers, w/ landings \$25,200.00

Replace two (2) 34" wide wood doors in east wall with 36" wide wood doors \$3,600.00

Upgrade main level windows to insulating panes (6 windows @ 15 SF each) \$4,500.00

Upgrade lighting systems to meet current codes

Replace light fixtures; provide daylighting and occupancy sensors for lighting control – 2,147 SF x \$12.50/SF \$26,838.00

Upgrade HVAC system to meet current codes

Replace gas fired forced air furnace with new - 2,147 SF x \$11.75/SF \$25,228.00

New fire alarm system to meet current codes

New fire alarm system - 2,147 SF x \$4.50/SF \$9,662.00

Upgrade exterior walls to meet current R-value code requirements

Install R-15 insulation in existing stud wall - 1,608 SF x \$6.50/SF \$10,452.00

Upgrade attic space to meet current R-value code requirements

Install R-49 insulation in attic space - 1,074 SF x \$9.75/SF \$10,203.00

Estimated Cost to Correct Building Code Deficiencies: \$185,183.00

**EDINA HRA
POTENTIAL EDEN/WILLSON AVENUE TIF DISTRICT
CODE DEFICIENCY ESTIMATED REPLACEMENT COSTS**

Property ID No. & Property Address: 1802824320029 4918 Eden Avenue

HISTORIC GRANGE HALL

Restroom upgrade – demolition and new construction

Lower level – 120 SF x \$575/SF \$68,000.00

Mens Restroom: 1 water closet, 1 lavatory

Womens Restroom: 1 water closet, 1 lavatory

Upgrade stairs from lower level to main level (includes removal)

Metal pan stairs for concrete in-fill, picket rail, 16 risers, w/ landings \$22,400.00

Upgrade stairs from main level to balcony (includes removal)

Metal pan stairs for concrete in-fill, picket rail, 13 risers, w/ landing \$18,200.00

Upgrade main level windows to insulating panes (7 windows @ 24 SF each) \$21,000.00

Upgrade balcony level windows to insulating panes (4 windows @ 17 SF each) \$9,000.00

Upgrade lighting systems to meet current codes

Replace light fixtures; provide daylighting and occupancy sensors for lighting control – 3,158 SF x \$12.50/SF \$39,475.00

Upgrade HVAC system to meet current codes

Replace gas fired forced air furnace with new - 3,158 SF x \$11.75/SF \$37,107.00

New fire alarm system to meet current codes

New fire alarm system - 3,158 SF x \$4.50/SF \$14,211.00

Upgrade exterior walls to meet current R-value code requirements

Install R-15 insulation in existing stud wall - 2,420 SF x \$6.50/SF \$15,730.00

Upgrade attic space to meet current R-value code requirements

Install R-49 insulation in attic space - 1,324 SF x \$9.75/SF \$12,578.00

Estimated Cost to Correct Building Code Deficiencies: \$257,701.00

APPENDIX E



Photo 1: North exterior wall showing brick, stone, and stucco



Photo 2: East and north exterior walls showing brick, stone, stucco, and shingled mansards



Photo 3: North exterior wall showing brick, wood board and battens, and shingled mansard roof



Photo 4: North exterior wall showing brick, stone, wood board and battens, and shingled mansard roof



Photo 5: West and south exterior walls brick, stone, and board and batten



Photo 6: South exterior wall showing stone, brick, wood siding, and shingled mansard roof



Photo 7: South exterior wall showing stone, brick, wood siding, and shingled mansard roof



Photo 8: South exterior wall showing stone, brick, wood siding, shingled mansard roof, and emergency exit catwalk



Photo 9: Restroom does not comply with ADA requirements



Photo 10: Restroom does not comply with ADA requirements



Photo 11: Lower urinal does not comply with ADA clear width requirements



Photo 12: Privacy screen missing between urinal and lavatory



Photo 13: Restroom does not comply with current ADA requirements



Photo 14: Restroom does not comply with current ADA requirements



Photo 15: Bottom of mirror is too high and does not comply with current ADA requirements



Photo 16: Stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 17: Stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 18: Stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 19: Lighting does not comply with current energy code requirements



Photo 20: Roof drains only. No overflow roof drains.



Photo 21: Existing built-up roofing system does not comply with current energy code requirements



Photo 22: Existing built-up roofing system does not comply with current energy code requirements



Photo 23: Rooftop equipment requires regular replacement of filters. Vertical ladder roof access does not meet current codes



Photo 24: Rooftop equipment requires regular replacement of filters. Vertical ladder roof access does not meet current codes



Photo 25: Rooftop equipment requires regular replacement of filters. Vertical ladder roof access does not meet current codes



Photo 26: Emergency exit stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 27: Historic Cahill School south wall showing lap siding, single-glazed double-hung windows and cedar shingles



Photo 28: Historic Cahill School west wall showing lap siding and cedar shingles



Photo 29: Historic Cahill School north wall showing lap siding, single-glazed double-hung windows and cedar shingles



Photo 30: Historic Cahill School east wall showing lap siding, single-glazed double-hung windows and cedar shingles



Photo 31: Historic Cahill School accessible wood ramp



Photo 32: Historic Cahill School accessible wood ramp and steps



Photo 33: Historic Cahill School classroom



Photo 34: Historic Cahill School coat room and non-ADA compliant accessible entrance through 34" wide door



Photo 35: Historic Cahill School non-ADA compliant restroom



Photo 36: Historic Cahill School non-ADA compliant restroom



Photo 37: Historic Cahill School stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 38: Minnehaha Grange Hall west elevation with accessible wood ramp and stair



Photo 39: Minnehaha Grange Hall south wall showing lap siding, single-glazed double-hung windows and cedar shingles



Photo 40: Minnehaha Grange Hall east wall showing lap siding and cedar shingles



Photo 41: Minnehaha Grange Hall north wall showing lap siding, single-glazed double-hung windows and cedar shingles



Photo 42: Minnehaha Grange Hall west wall showing lap siding, single-glazed double-hung windows and cedar shingles



Photo 43: Minnehaha Grange Hall meeting room and stage



Photo 44: Minnehaha Grange Hall meeting room



Photo 45: Minnehaha Grange Hall meeting room and balcony



Photo 46: Minnehaha Grange Hall meeting room



Photo 47: Minnehaha Grange Hall entrance ante room



Photo 48: Minnehaha Grange Hall entrance ante room



Photo 49: Minnehaha Grange Hall stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 50: Minnehaha Grange Hall stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 51: Minnehaha Grange Hall non-ADA compliant restroom



Photo 52: Minnehaha Grange Hall non-ADA compliant restroom



Photo 53: Minnehaha Grange Hall lower level kitchen/serving counter



Photo 54: Minnehaha Grange Hall lower level gathering room



Photo 55: Minnehaha Grange Hall stair tread depth, riser height, and handrails do not comply with current code requirements



Photo 56: Minnehaha Grange Hall balcony

Appendix E: Project Description

The existing commercial building located at 4917 Eden Avenue is proposed to be redeveloped. The new construction will consist of a new Class “A” mixed-use building with approximately 196 mixed-income apartment units and 3,700 square feet of integrated retail space. The development will be located at the intersection of Eden Avenue and Willson Road and is intended to fulfill a portion of the City’s goal for redevelopment as well as provide affordable housing options.

The developer will demolish the existing building, perform environmental remediation, and clear the site for redevelopment. The redevelopment will include site water and sanitary sewer utility improvements, area storm water retention, below grade parking stalls to service the apartment units, surface public parking, and sidewalk and streetscape improvements along Eden Avenue and Willson Road. The developer will encumber portions of the site with permanent public easements to make extensive public realm and streetscape improvements. It will also convey a portion of the parcel to be used for future roadway project or public use.

The new apartment building will be 7-stories in height with street level commercial space. The rental housing unit mix includes studio, one-bedroom, two-bedroom, and three-bedroom units. Twenty units of affordable housing (10% of total units) are anticipated, all which will be rent- and occupancy-restricted to households earning at or below 50% 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 at least 20 years.

Site clearance is expected to occur in 2022 and new construction is expected to begin that year with completion of the multifamily building as soon as the close of 2023.

Related to the redevelopment of this site, the City also envisions public traffic safety enhancements through public improvements to adjacent portions of Eden Avenue, Willson Road, Grange Road and 50th Street. This work is intended to improve pedestrian and bicyclist routes to and through the TIF District. These new routes are intended to address vehicular safety concerns at each intersection and will improve connectivity between the TIF District and adjacent neighborhoods. A conceptual layout of these potential transportation improvements is included below. These public improvements are anticipated to begin as soon as 2023 and will be completed in phases.

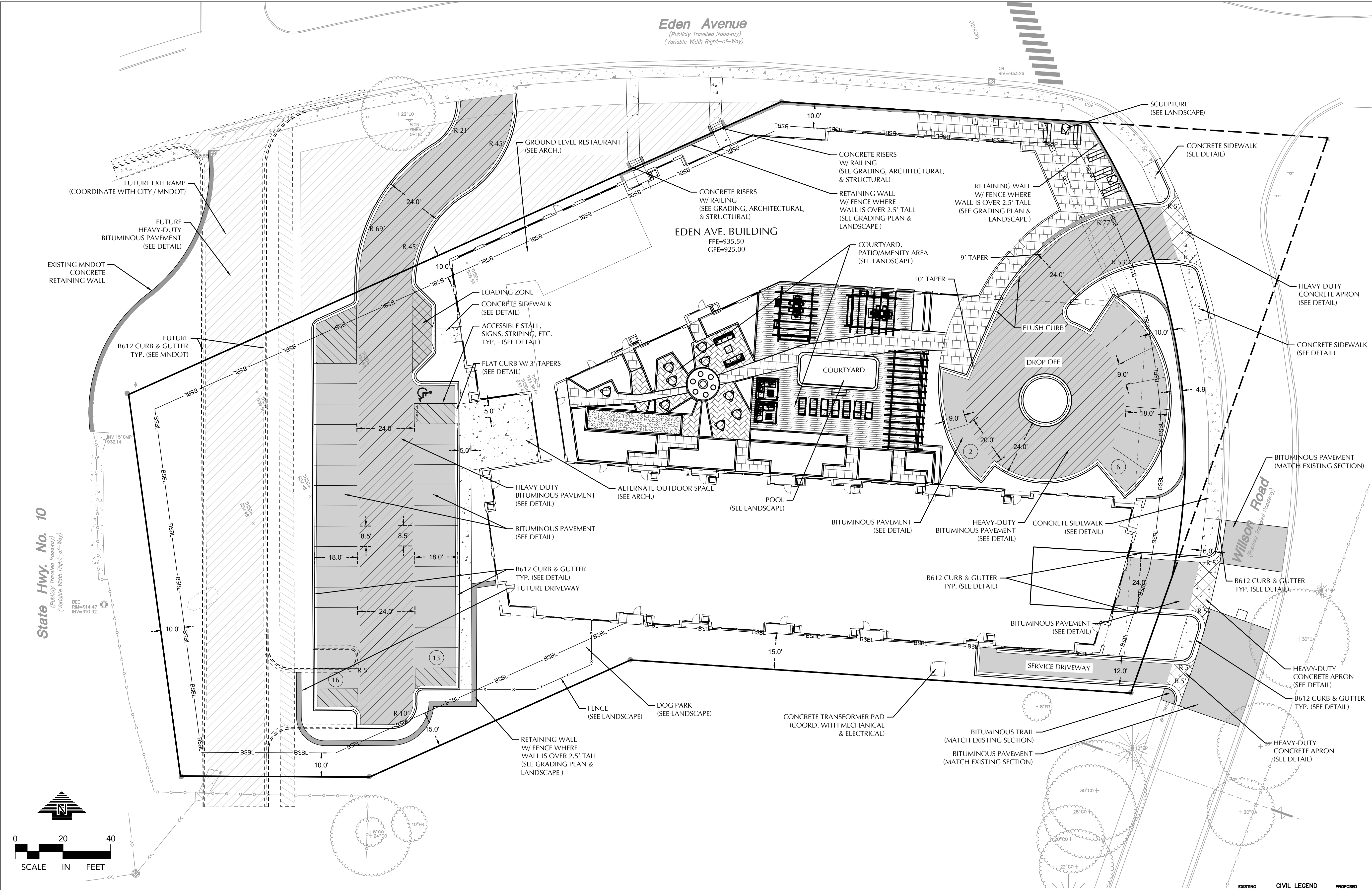
Additionally, the Edina HRA proposes that consideration be given to relocate two historic buildings located adjacent to the redevelopment at 4918 Eden Avenue. The Grange Hall was originally located near the intersection of 50th and Wooddale while the Cahill School was originally located near 70th and Cahill. The Grange Hall was relocated to the site in the late 1960s prior to the construction of Highway 100 and its related access ramps. Relocation would allow for further redevelopment of the site and public improvements, as well as an opportunity to identify a more suitable location that allows these historic resources to be more accessible to the community.

At this time, a preferred location for the historic buildings has not been identified and there is no imminent timeline for relocation. If relocation is preferred, tax increment could provide a portion of the relocation expenses.

The Edina HRA proposes to utilize incremental property taxes generated from the new apartment building to offset a portion of the apartment building's financing gap. The HRA proposes to reimburse the developer for qualifying costs incurred in its development through the issuance of a Pay-as-you-go TIF Note upon completion. The HRA and City would bear no obligation to use any other funds to pay the TIF Note. The incremental taxes are also proposed to provide funding for necessitated transportation improvements throughout the TIF District and potential building relocation expenses of the two historic buildings.

ROADWAY IMPROVEMENTS





SITE PLAN LEGEND

CONCRETE SIDEWALK

BITUMINOUS PAVEMENT

HEAVY DUTY BITUMINOUS PAVEMENT

CONCRETE PAVEMENT

HEAVY-DUTY CONCRETE PAVEMENT

SPECIALTY LANDSCAPE PAVING

SITE DATA

CURRENT ZONING:xxx

PROPOSED ZONING:xxx

BUILDING SETBACK:xxx

TOTAL PROPERTY AREA:2.08 AC.

AREA OF DISTURBANCE:2.58 AC.

EXISTING IMPERVIOUS AREA:1.82 AC.

PROPOSED IMPERVIOUS AREA:1.48 AC.

- SITE NOTES**
1. ALL PAVING, CONCRETE CURB, GUTTER AND SIDEWALK SHALL BE FURNISHED AND INSTALLED IN ACCORDANCE WITH THE DETAILS SHOWN PER THE DETAIL SHEETS) AND STATE/LOCAL JURISDICTION REQUIREMENTS.

2. ACCESSIBLE PARKING, AND ACCESSIBLE ROUTES SHALL BE PROVIDED PER CURRENT ADA STANDARDS AND LOCAL/STATE REQUIREMENTS.

3. ALL CURB DIMENSIONS SHOWN ARE TO THE FACE OF CURB UNLESS OTHERWISE NOTED.

4. ALL BUILDING DIMENSIONS ARE TO THE OUTSIDE FACE OF WALL UNLESS OTHERWISE NOTED.

5. TYPICAL FULL SIZED PARKING STALL IS 9' X 18' WITH A 24' WIDE TWO WAY DRIVE UNLESS OTHERWISE NOTED.

6. ALL CURB RADII SHALL BE 3.0' UNLESS OTHERWISE NOTED.

7. BITUMINOUS IMPREGNATED FIBER BOARD TO BE PLACED AT FULL DEPTH OF CONCRETE ADJACENT TO EXISTING STRUCTURES AND BEHIND CURB ADJACENT TO DRIVEWAYS AND SIDEWALKS.

8. SEE SITE ELECTRICAL PLAN FOR SITE LIGHTING.

ACCESSIBLE PARKING

SURFACE ACCESSIBLE PARKING:xxx STALLS

REQUIRED SURFACE ACCESSIBLE PARKING:xxx STALLS*

*REQUIRED MINIMUM NUMBER OF ACCESSIBLE SPACES FOR 101-150 STALLS

OFF-STREET PARKING CALCULATIONS

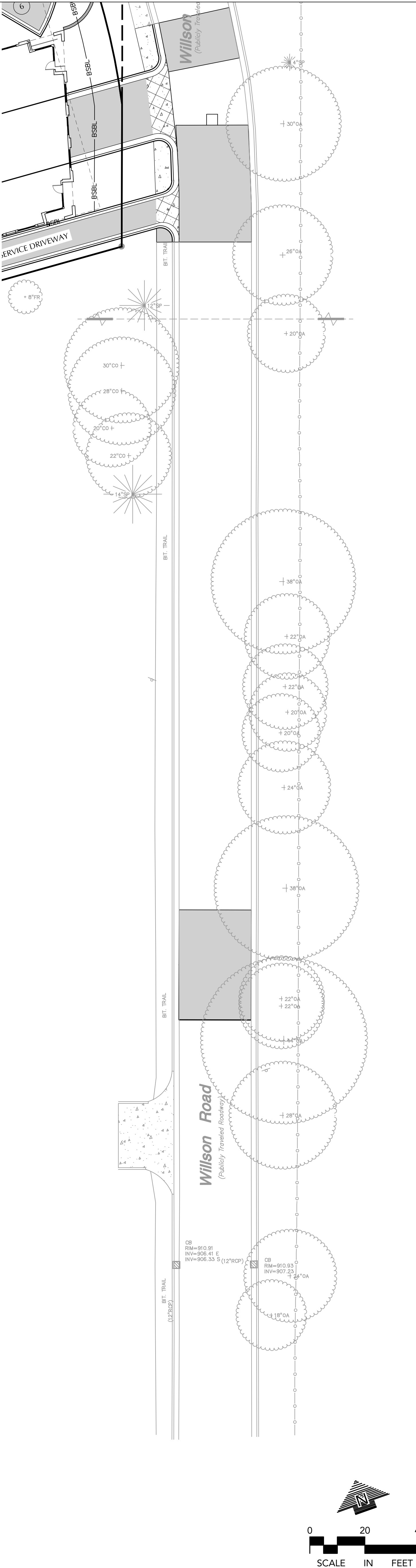
PROPOSED SURFACE PARKING PROVIDED:37 STALLS

EXISTING	CIVIL LEGEND	PROPOSED
	SANITARY MANHOLE	
	STORM MANHOLE	
	CATCH BASIN	
	CULVERT	
	AIR/WATER	
	GATE VALVE	
	POST INDICATOR VALVE	
	LIGHT POLE	
	POWER POLE	
	SIGN	
	BENCHMARK	
	SOIL BORING	
	WATER MANHOLE	
	TELEPHONE MANHOLE	
	UTILITY MANHOLE	
	ELECTRIC MANHOLE	
	WATER SERVICE	
	SANITARY SERVICE	
	HANDICAP PARKING	
	DIRECTION OF FLOW	
	SPOT ELEVATION	
	CONTOURS	
	SANITARY SEWER	
	STORM SEWER	
	WATERMAIN	
	FIREMAN	
	DRAIN TILE	
	SALT FENCE	
	CURB & GUTTER	
	RETAINING WALL	
	TIE LINE	
	EASEMENT LINE	
	SETBACK LINE	
	FENCE LINE	
	UNDERGROUND TELE	
	UNDERGROUND GAS	
	OVERHEAD UTILITY	

WARNING:

THE CONTRACTOR SHALL BE RESPONSIBLE FOR CALLING FOR LOCATIONS OF ALL EXISTING UTILITIES. THEY SHALL COOPERATE WITH ALL UTILITY COMPANIES IN MAINTAINING THEIR SERVICE AND / OR RELOCATION OF LINES.

THE CONTRACTOR SHALL CONTACT GOPHER STATE ONE CALL AT 651-454-0002 AT LEAST 48 HOURS IN ADVANCE FOR THE LOCATIONS OF ALL UNDERGROUND WIRES, CABLES, CONDUITS, PIPES, MANHOLES, VALVES OR OTHER BURIED STRUCTURES BEFORE DIGGING. THE CONTRACTOR SHALL REPAIR OR REPLACE THE ABOVE WHEN DAMAGED DURING CONSTRUCTION AT NO COST TO THE OWNER.



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763-424-5505
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LOUCKS PROJECT NO. 21081.00

PROJECT TITLE

4917 EDEN AVE.

OWNER/DEVELOPER

ISSUE #	DATE	DESCRIPTION
	03/12/2021	PRELIMINARY DESIGN

NOT FOR
CONSTRUCTION

CERTIFICATION
I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

Michael J. St. Martin, PE

24440

XXXX/XXXX

License Number

Date

DATE

XXXX/XXXX

JBT

DRAWN BY

MJS

CHECKED BY

21081.00

COMMISSION NUMBER

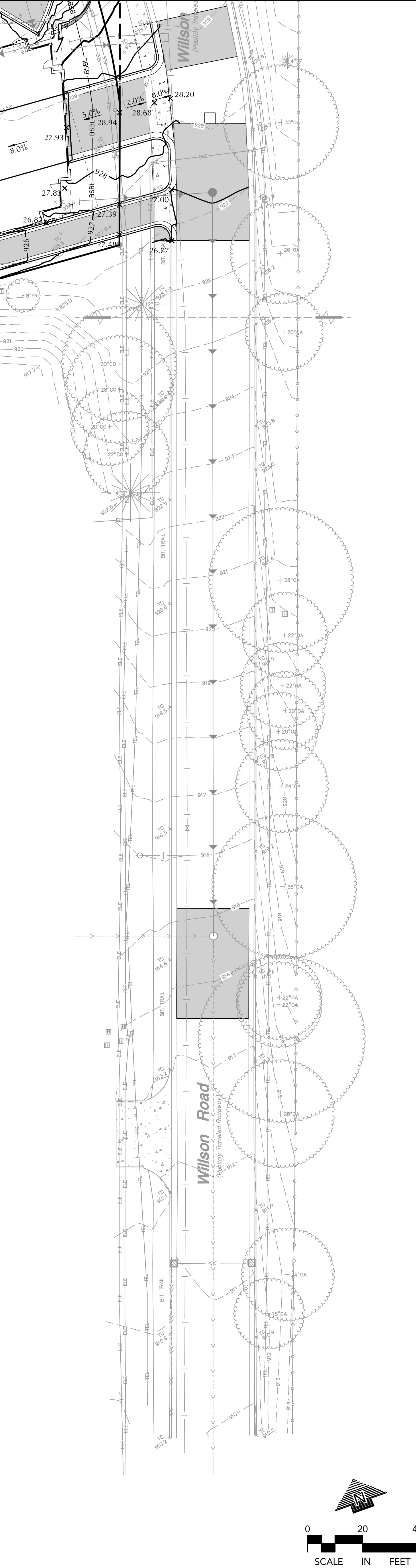
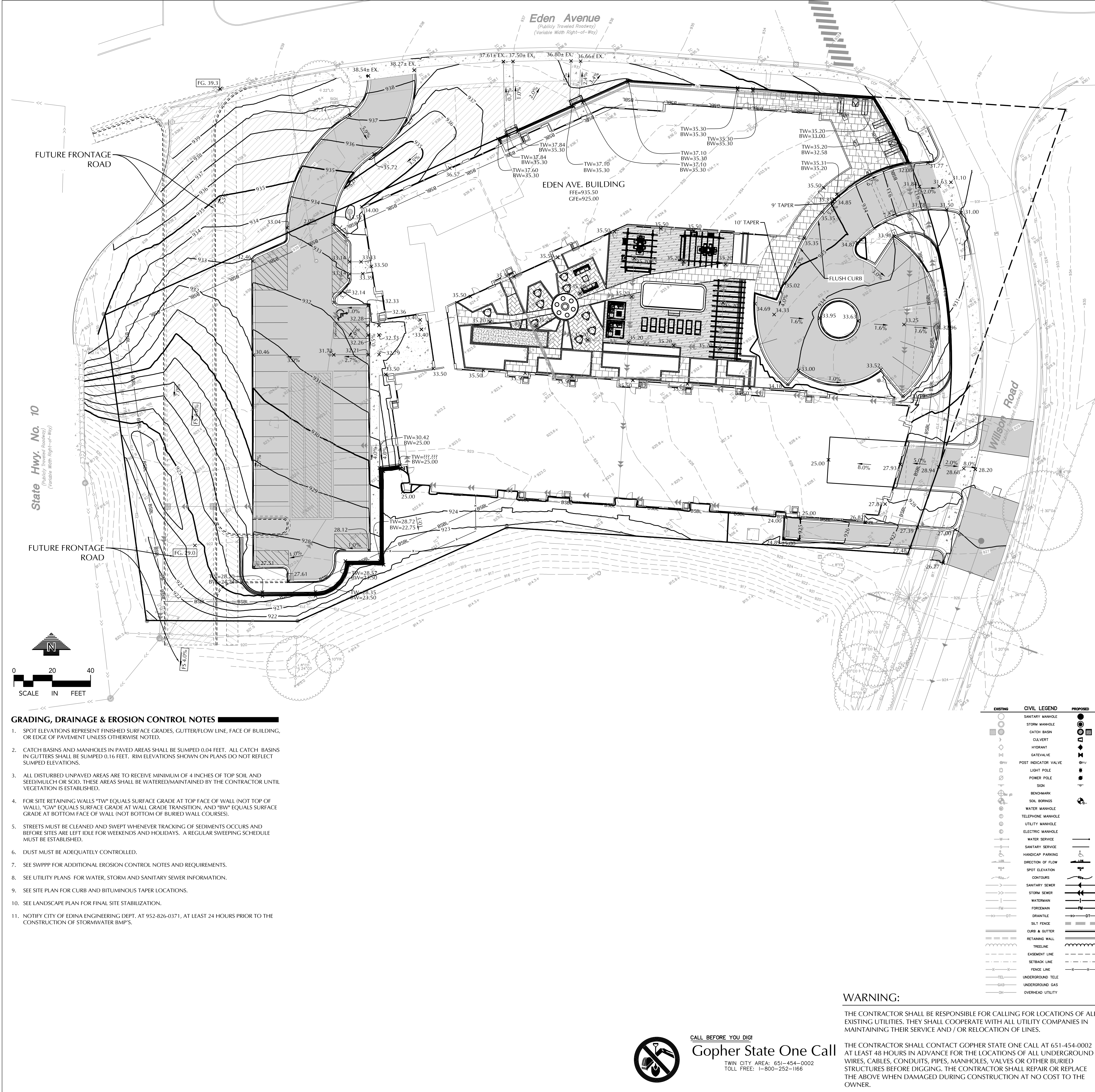
SHEET TITLE

SITE PLAN

SHEET NUMBER

C2-1

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- GRADING, DRAINAGE & EROSION CONTROL NOTES**
- SPOT ELEVATIONS REPRESENT FINISHED SURFACE GRADES, GUTTER/FLOW LINE, FACE OF BUILDING, OR EDGE OF PAVEMENT UNLESS OTHERWISE NOTED.
 - CATCH BASINS AND MANHOLES IN PAVED AREAS SHALL BE SUMPED 0.04 FEET. ALL CATCH BASINS IN CUTTERS SHALL BE SUMPED 0.16 FEET. RIM ELEVATIONS SHOWN ON PLANS DO NOT REFLECT SUMPED ELEVATIONS.
 - ALL DISTURBED UNPAVED AREAS ARE TO RECEIVE MINIMUM OF 4 INCHES OF TOP SOIL AND SEED/MULCH OR SOI. THESE AREAS SHALL BE WATERED/MAINTAINED BY THE CONTRACTOR UNTIL VEGETATION IS ESTABLISHED.
 - FOR SITE RETAINING WALLS "TW" EQUALS SURFACE GRADE AT TOP FACE OF WALL (NOT TOP OF WALL). "ON" EQUALS SURFACE GRADE AT WALL GRADE TRANSITION, AND "BM" EQUALS SURFACE GRADE AT BOTTOM FACE OF WALL (NOT BOTTOM OF BURIED WALL COURSES).
 - STREETS MUST BE CLEANED AND SWEEPED WHENEVER TRACKING OF SEDIMENTS OCCURS AND BEFORE SITES ARE LEFT IDLE FOR WEEKENDS AND HOLIDAYS. A REGULAR SWEEPING SCHEDULE MUST BE ESTABLISHED.
 - DUST MUST BE ADEQUATELY CONTROLLED.
 - SEE SWPPP FOR ADDITIONAL EROSION CONTROL NOTES AND REQUIREMENTS.
 - SEE UTILITY PLANS FOR WATER, STORM AND SANITARY SEWER INFORMATION.
 - SEE SITE PLAN FOR CURB AND BITUMINOUS TAPER LOCATIONS.
 - SEE LANDSCAPE PLAN FOR FINAL SITE STABILIZATION.
 - NOTIFY CITY OF EDINA ENGINEERING DEPT. AT 952-826-0371, AT LEAST 24 HOURS PRIOR TO THE CONSTRUCTION OF STORMWATER BMP'S.

WARNING:

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CALL BEFORE YOU DIG!

Gopher State One Call

TWIN CITY AREA: 651-454-0002
TOLL FREE: 1-800-252-1166

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Michael J. St. Martin, PE	24440	XXXX/XXXX
License Number		Date
DATE		XXXX/XXXX
DRAWN BY	JBT	
CHECKED BY	MJS	
COMMISSION NUMBER	21081.00	

SHEET TITLE

GRADING PLAN

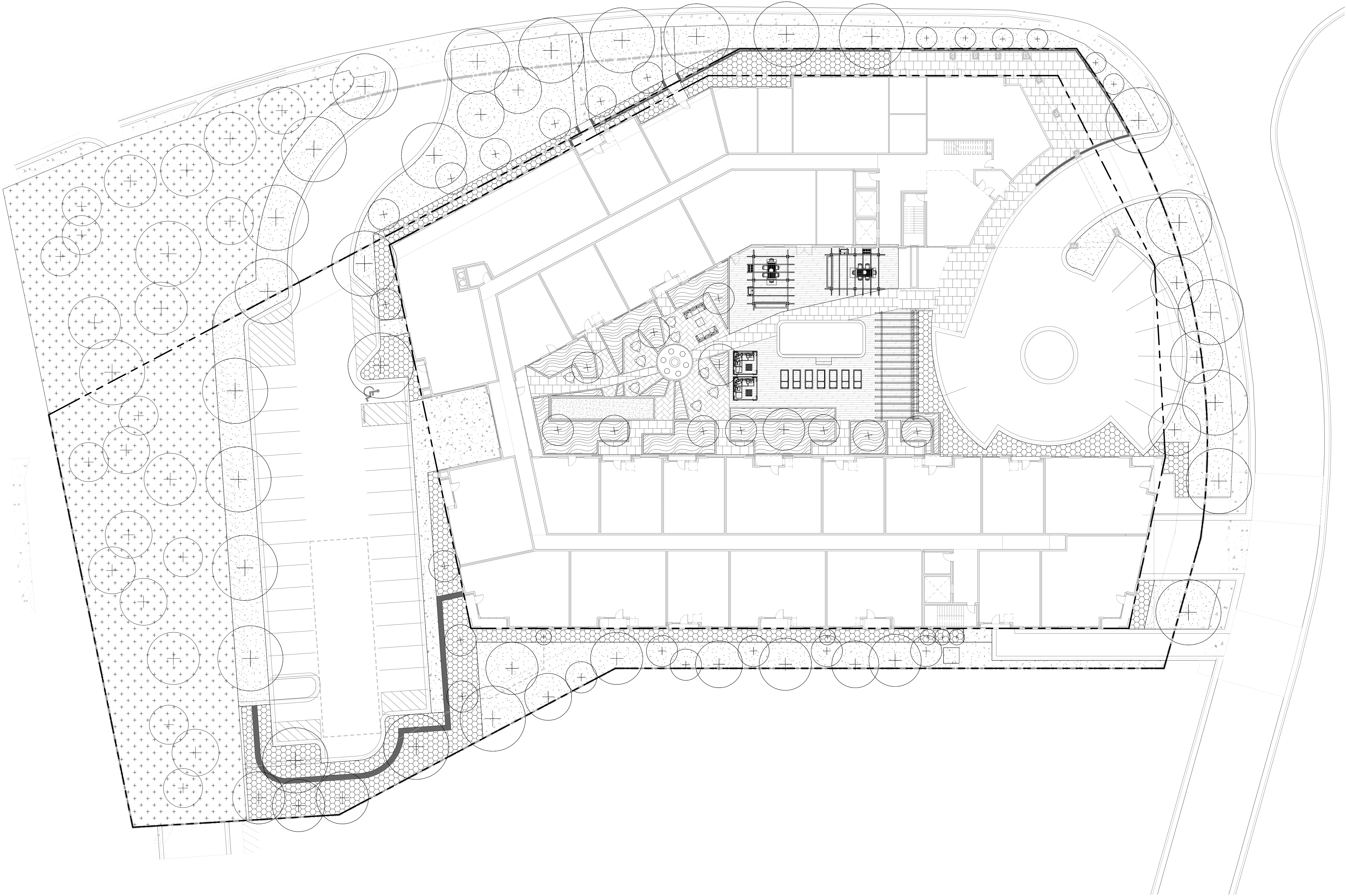
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1 SITE - PLANTING PLAN
L101 1" = 20'-0"



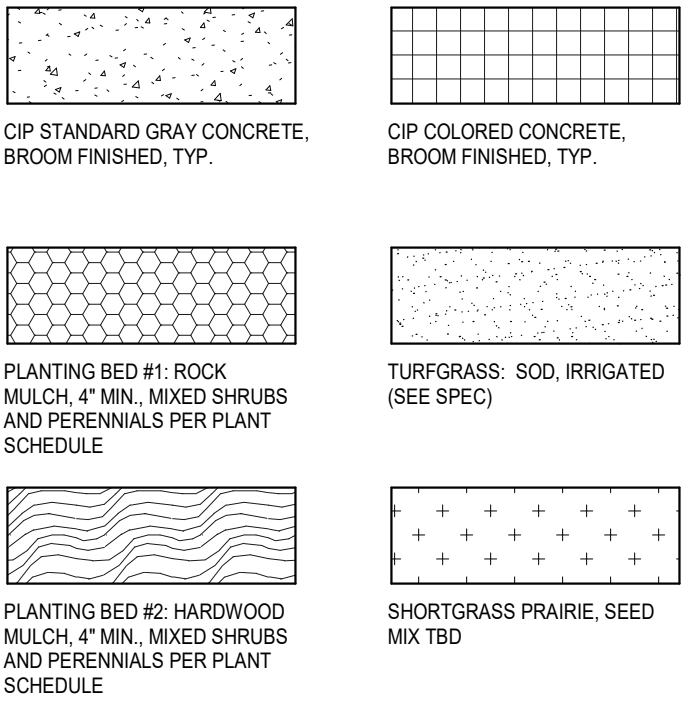
PROPOSED PLANT SCHEDULE:

QTY	SYM	COMMON NAME	SCIENTIFIC NAME	PLANTING SIZE
PERENNIALS/VINES/ANNUALS				
1	ac	MAGGIE DALEY ASTILBE	Astilbe chinensis 'Maggie Daley'	#1 CONT.
1	ca	FEATHER REED GRASS	Calamagrostis arundinacea var. brachytricha	#1 CONT.
1	hb	BLUE ANGEL HOSTA	Hosta 'Blue Angel'	#1 CONT.
1	hh	HAPPY RETURNS DAYLILY	Hemerocallis 'Happy Returns'	#1 CONT.
1	pa	HAMELN FOUNTAIN GRASS	Pennisetum alopecuroides 'Hameln'	#1 CONT.
1	pl	PACHYSANDRA 'Green Carpet'	Pachysandra terminalis 'Green Carpet'	#1 CONT.
1	pv	NORTHWIND SWITCHGRASS	Panicum virgatum 'Northwind'	#1 CONT.
1	rh	WALKER'S LOW CATMINT	Nepeta x faasseni 'Walker's Low'	#1 CONT.
1	sh	PRAIRIE DROPSIDE	Sporobolus heterolepis	#1 CONT.
1	ss	LITTLE BLUESTEM 'Blue Heaven'	Schizachyrium scoparium 'Mimble A' (PP17, 310)	#1 CONT.
ORNAMENTAL TREES				
1	ag	AUTUMN BRILLIANCE SERVICEBERRY	Amelanchier x grandiflora 'Autumn Brilliance'	2" CAL.
2	bp	WHITESPIRE BIRCH (CLUMP)	Betula populifolia 'Whitespire'	2.5" CAL.
8	cc	NORTHERN CLUMP REDBUD	Cercis canadensis	#20 CONT.
5	sr	SUMMER STORM LILAC	Syringa reticulata 'Summer Storm' (PPAF)	2" CAL.
DECIDUOUS TREES				
8	as	GREEN MOUNTAIN SUGAR MAPLE	Acer saccharum 'Green Mountain'	2.5" CAL.
7	bn	RIVER BIRCH	Betula nigra	2.5" CAL.
6	bp	DAKOTA PINNACLE BIRCH	Betula platyphylla 'Fargo'	2.5" CAL.
3	gb	AUTUMN GOLD GINKGO	Ginkgo biloba 'Autumn Gold'	2.5" CAL.
8	gt	SKYLINE HONEYLOCUST	Gleditsia triacanthos var. inermis 'Skyline'	2.5" CAL.
6	pt	PRAIRIE GOLD ASPEN	Populus tremuloides 'NEARL'	2.5" CAL.
8	qa	QUAKING ASPEN	Populus tremuloides	#20 CONT.
7	qb	SWAMP WHITE OAK	Quercus bicolor	2.5" CAL.
5	qw	KINDRED SPIRIT OAK	Quercus x warei 'Nadler'	2.5" CAL.
5	ta	AMERICAN SENTRY LINDEN	Tilia americana 'MinkSentry'	2.5" CAL.
DECIDUOUS SHRUBS				
1	bw	NORTHERN CHARM BOXWOOD	Buxus 'Wilson'	#3 CONT.
1	cc	SUGARTINA CLETHRA	Clethra alnifolia 'Crystalina' (PP21, 561)	#2 CONT.
1	ct	ARCTIC FIRE DOGWOOD	Cornus stolonifera 'Farrow' (PP18,523)	#5 CONT.
1	cs	CARDINAL DOGWOOD	Cornus sericea 'Cardinal'	#5 CONT.
1	ds	BUTTERFLY BUSH HONEYSUCKLE	Diervilla sessilifolia 'Butterfly'	#5 CONT.
1	dw	DWARF WINGED EUONYMOU	Euonymus alatus 'Compactus'	#10 CONT.
1	ra	GRO LOW SUMAC	Rhus aromatica 'Gro Low'	#5 CONT.
1	sm	DWARF KOREAN LILAC	Syringa meyeri 'Palatin'	#5 CONT.
1	sr	RED ELDERBERRY	Sambucus racemosa	#5 CONT.
1	ss	SEM FALSE SPIREA	Sorbaria sorbifolia 'Sem'(PP16,336)	#2 CONT.
CONIFEROUS TREES				
1	jc	SPARTAN JUNIPER	Juniper chinensis 'Spartan'	6' B&B
12	pa	NORWAY SPRUCE	Prusa abies	6' B&B
7	ps	WHITE PINE	Pinus Strobus	6' B&B
CONIFEROUS SHRUBS				
1	cp	KING'S GOLD CHAMAECYPARIS	Chamaecyparis pisifera 'King's gold'	#5 CONT.
1	cl	HEATHERBUN CHAMAECYPARIS	Chamaecyparis thyoides 'Heather Bun'	#5 CONT.
1	jh	BLUE CHIP JUNIPER	Juniperus horizontalis 'Blue Chip'	#5 CONT.
1	jp	SEA GREEN JUNIPER	Juniperus x pfitzeriana 'Sea Green'	#5 CONT.
1	js	BLUE FOREST JUNIPER	Juniperus sabina 'Blue Forest'	#5 CONT.
1	pb	SCHOODIC PINE	Pinus banksiana 'Schoodic'	#3 CONT.
1	tc	TECHNITO ARBORVITAE	Thuja occidentalis 'Balljoint' (PP15, 850)	6' B&B

*PLANT SCHEDULE FOR SPECIES REFERENCE ONLY, FINAL QUANTITIES TO BE DETERMINED

IRRIGATION NOTE: ALL PLANTING BEDS TO RECEIVE DRIPLINE IRRIGATION, ALL TURF AREAS TO RECEIVE SPRAY NOZZLES

GRAPHIC LEGEND:



CONSULTANTS

PROJECT TITLE

4917 EDEN AVE

ISSUE #	DATE	DESCRIPTION
	03/12/2021	PRELIMINARY DESIGN

CERTIFICATION

DRAWN BY	SB
CHECKED BY	BH
COMMISSION NUMBER	2286-05

SHEET TITLE

SITE - PLANTING
PLAN

SHEET NUMBER

L101



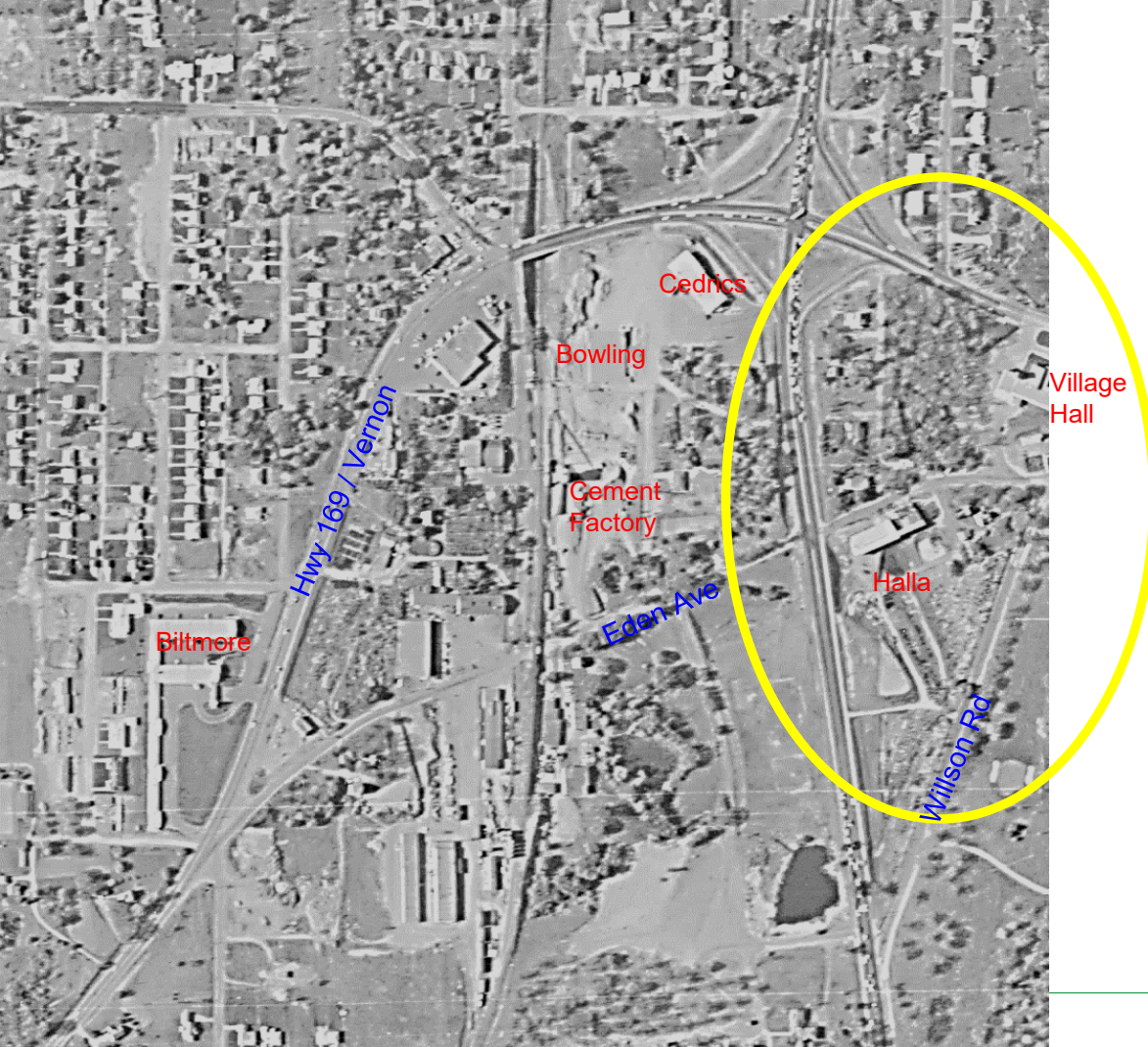
The CITY of
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Establishing the Eden / Willson Tax Increment Financing District

Edina Housing & Redevelopment Authority
October 14, 2021



The CITY of EDINA



1957 aerial photo

- Normandale Road
- At grade intersections
- Cement factory
- Halla Nursery
- Old Village Hall



The CITY of EDINA

1979 aerial photo

- Highway 100
- New bridges and ramps
- Old Public Works facility
- Perkins restaurant
- Old Village Hall



Background – existing conditions



The CITY of
EDINA



Perkins (formerly Halla Nursery)

4917 Eden Ave

Built 1973



Grange Hall

4918 Eden Ave

Built 1879, relocated 1935 & 1970

Cahill School

4918 Eden Ave

Built 1864, relocated 1970

Background – existing conditions



The CITY of
EDINA



4917 Eden Avenue

- Restaurant, office and conference facilities
- Land has higher value than building
- Building deemed “sub-standard” per TIF statute

4918 Eden Avenue

- Two historic buildings Grange Hall & Cahill School
- Relocated to this site in 30s and 70s
- Buildings deemed “sub-standard” per TIF statutes

Roadway Network

- High peak-hour traffic volume
- Lack complete sidewalks
- Limited bicycle routes

Background - Community Vision Plans



The CITY of
EDINA



“Encourage ... vibrant neighborhood nodes ... build sense of community” (page 10-16)

Multi-modal Transportation Options - ... improve access for pedestrians and bicyclists...” (SERP 3-4(4); GDF page 7 and GTP pages 23-24)

“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.” (Vision page 10)

create “stepping stones ... to vibrant, walkable, attractive and life-filled place” (GDF page 7)

Residential Development Mix ...
Goals 2 & 4 - Support a wide range of housing options to meet the diverse needs, preferences, income levels and life stages for today and future Edina community (pages 4-23 and 4-24)

Highway Access ... allow for surface roads / off-ramps ... safe interchange access to Highway 100 from Vernon, 50th & Eden...” (GDF page 34)

Mixed Use Development... support redevelopment that includes retail, housing and employment in walkable neighborhoods (SERP page 3-4(6))

Summary of Proposal – westerly view



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**FINAL
REZONING
APPROVAL
PENDING**

Summary of Proposal – southeasterly view



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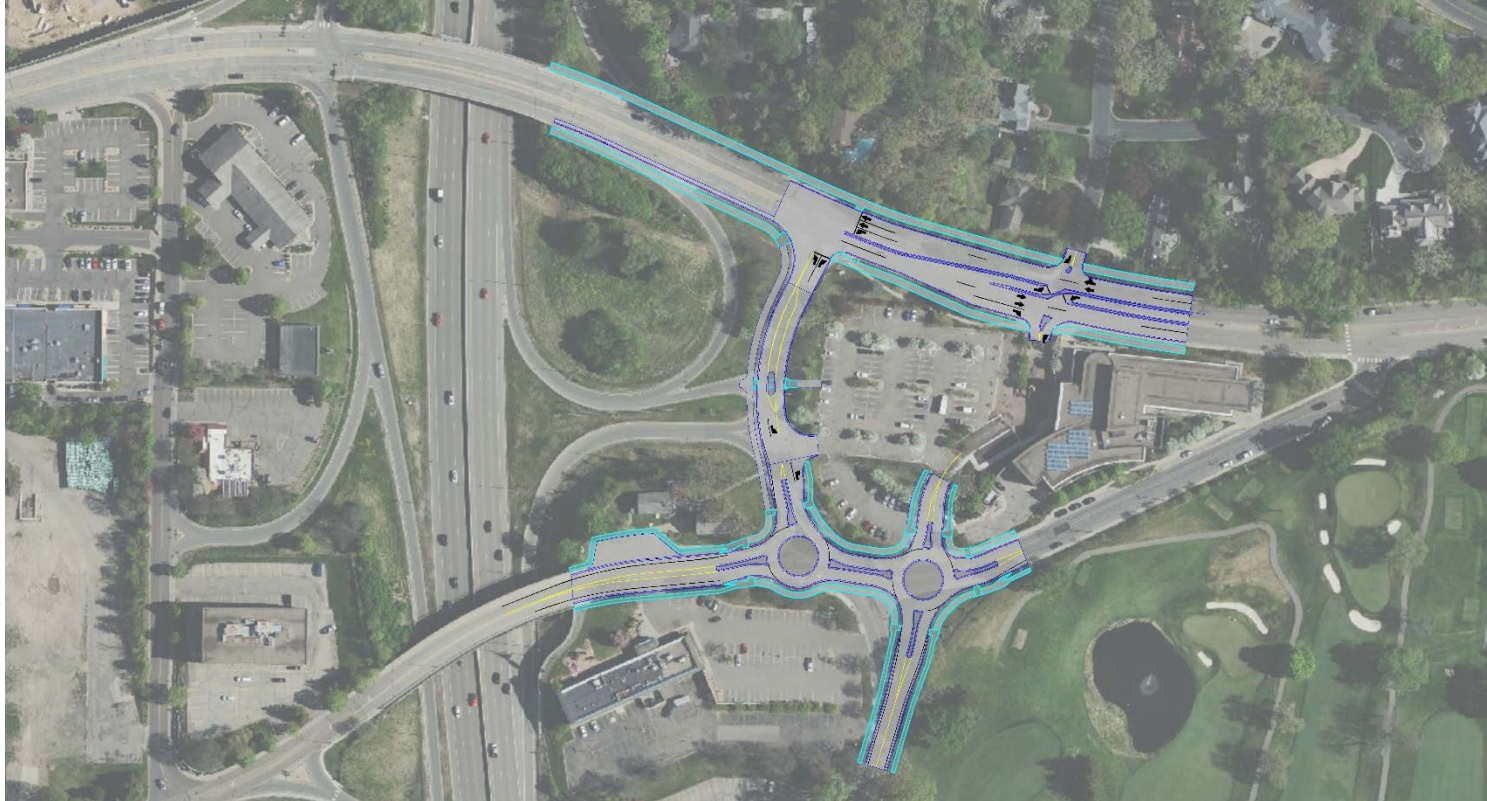


**FINAL
REZONING
APPROVAL
PENDING**

Summary of Proposal – roadway concept



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**FINAL
DESIGN
APPROVAL
PENDING**

Summary of Proposal – financial gap



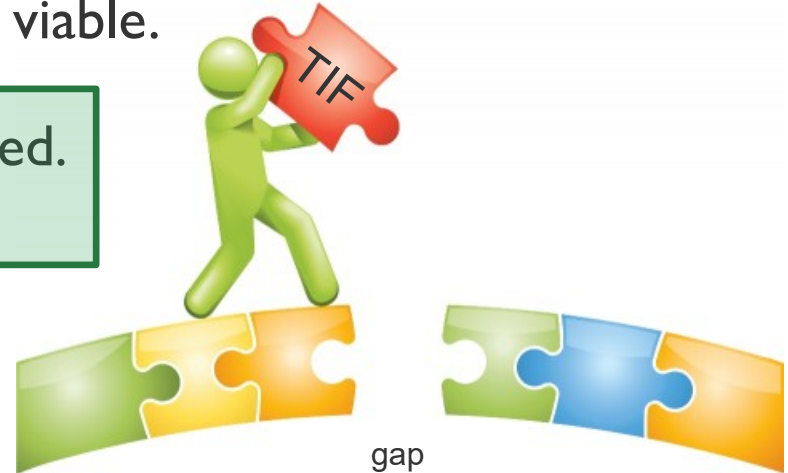
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The developer requested \$5.1 million in TIF support over 15-years to make the project viable.

This request has been analyzed and evaluated.
The budget gap has been confirmed.

Term Sheet was prepared August 26, 2021.

Full TIF Redevelopment Agreement anticipated
to be considered November 3, 2021.



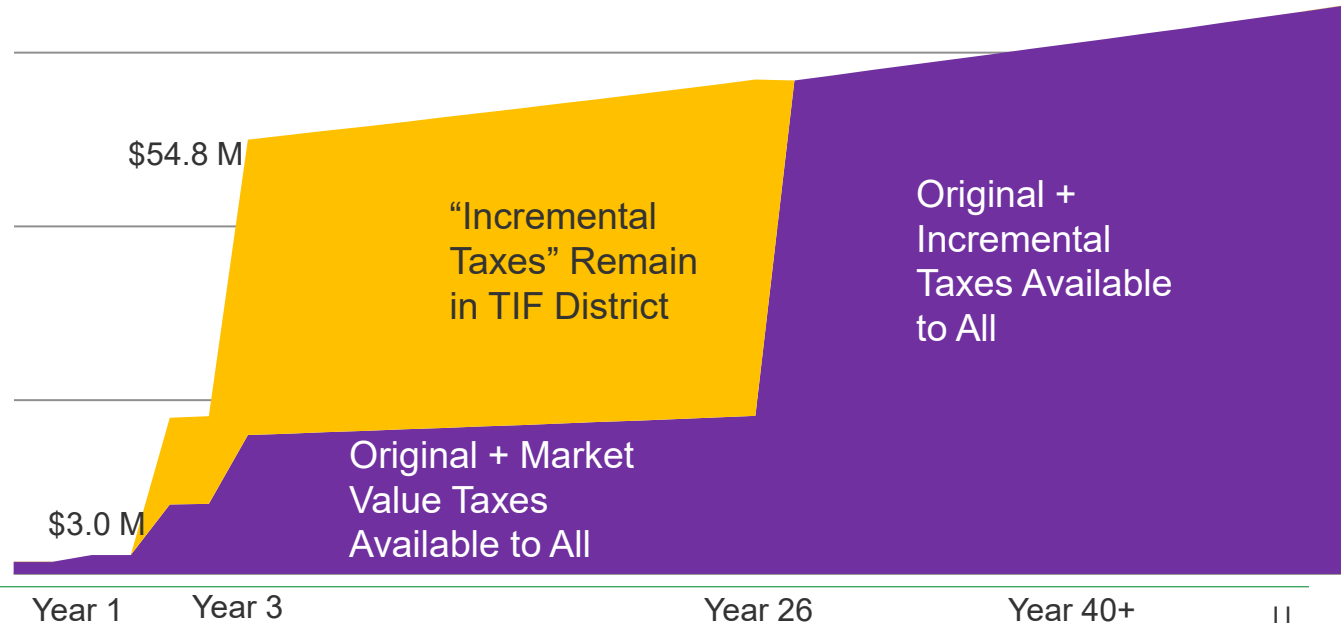
What is TIF?



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- Economic development financing tool
- Governed by Minnesota Statute
- Enabled by City Council
- “Tax Increment” Financing - uses growth in property tax base to fund private investment and public infrastructure

Availability of Property Taxes to Taxing Agencies





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What is TIF? – How cities fund projects

Less Risk

PAYGO
Note

TIF
Revenue
Bond

*Roadway
Improvements*

*Developer
Pledge*

Preferred
method in
Edina

Loan of
Cash
Balances

G.O. TIF
Bonds

Usually avoided
in Edina
(unless special
conditions exist)

More Risk



What is TIF? – Steps to Establish & Monitor

Step 1) Create “District”

- Boundaries
- Maximum Budget
- Term
- Qualifications
- But-for

Plan Commission
HRA Board
Public Hearing
City Council



Step 2) Consider Funding for Specific Projects

- Private developments
- Public improvements

HRA Board (Oct 28 and 2023)
City Council (Nov 3 and 2023)

Action considered in future

Step 3) Monitoring & Compliance

- 4-year knock down
- 5-year construction
- Annual reporting
- De-certification

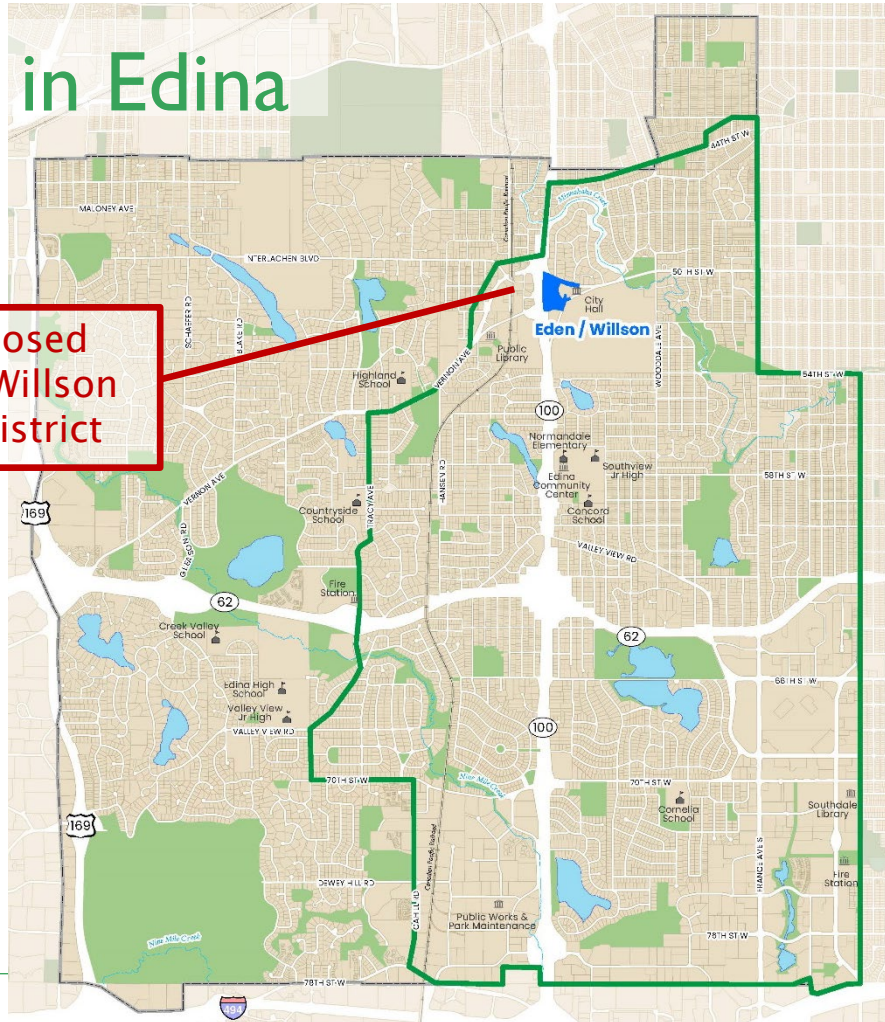
Action considered today

TIF in Edina



The CITY of
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Proposed
Eden Willson
TIF District



Edina has used TIF financing since the 1970s and currently has 9 active TIF Districts:

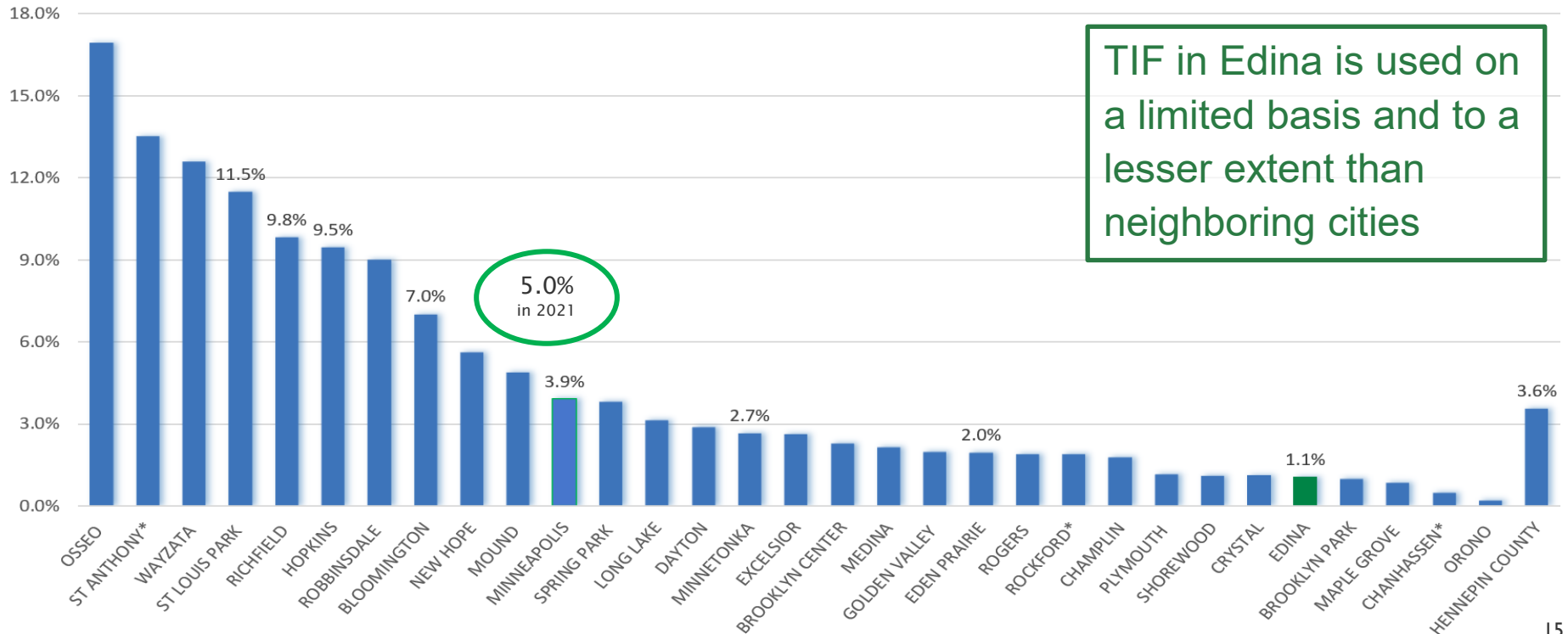
- 4040 W. 70th
- 44th & France 2
- 50th & France 2
- 66 West
- 76th Street
- Amundson
- Grandview 2
- Pentagon Park
- Southdale 2

TIF in Edina



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Percent of Tax Capacity Retained in TIF Districts - Preliminary Estimates Pay 2022

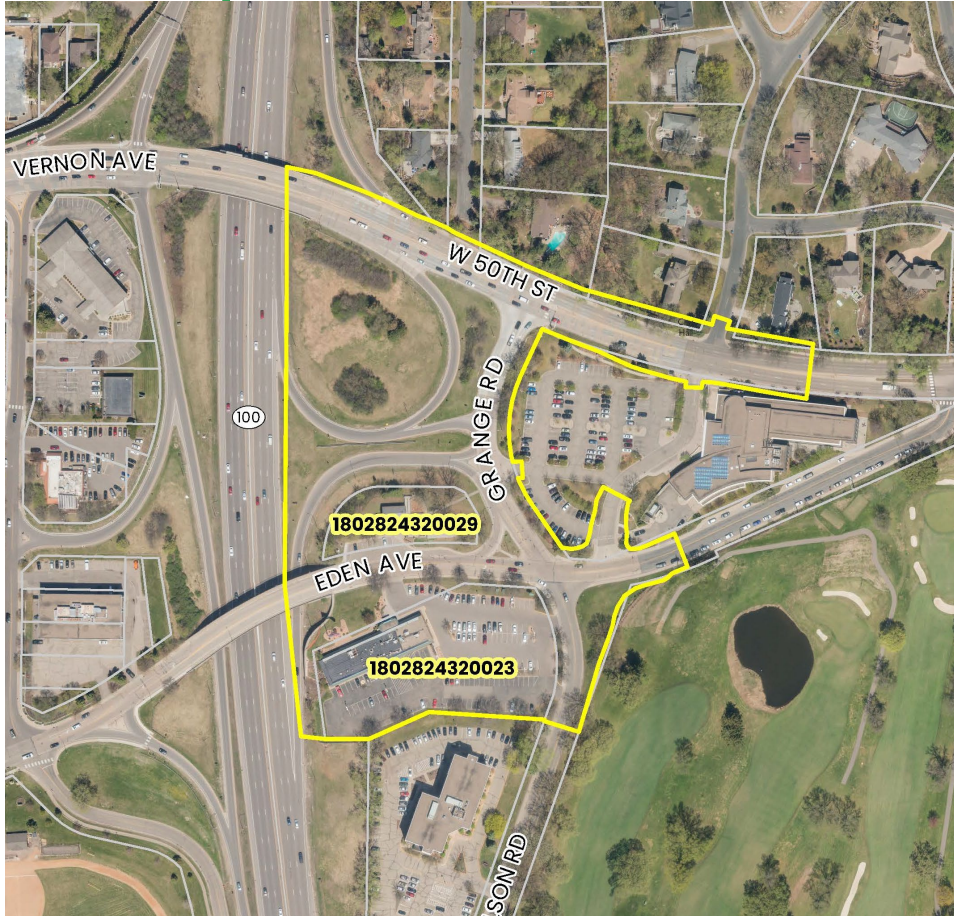


TIF in Edina is used on a limited basis and to a lesser extent than neighboring cities

Proposed TIF Plan



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- 2 parcels & adjacent roadways
- “Redevelopment” District
- 25 year term
- Original Tax Capacity = \$60,842
- Projected Tax Capacity = \$691,772
 - Used to establish maximum budget

11 x growth

Proposed TIF Plan — Sources and Uses



The CITY of
EDINA

Projected Uses of Tax Increment Funds

• Acquisition	\$3.0 M (11%)
• Site improvements	\$750k
• Utilities	\$1.5 M
• Affordable Housing	\$2.06 M (9%)
• Other Improvements	\$5.55 M (24%)
• Administrative	\$2.06 M (9%)
• Interest	<u>\$7.8 M (34%)</u>
• Total	\$22.7 Million

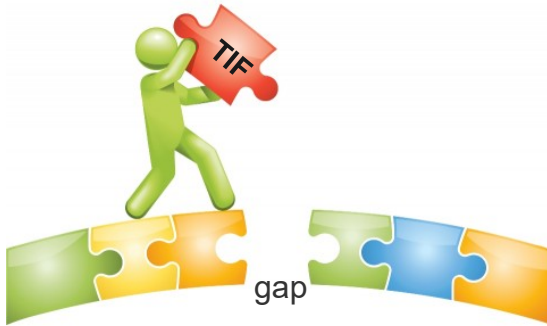
\$22.7 million - Incremental Property Tax Estimate

- Over 26 years term
- Includes interest earnings
- Excludes base taxes to County, School, and City

Proposed TIF Plan — Findings



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- Site qualifies as a Redevelopment TIF District
- Plans complies with the City's general plans for redevelopment (Comp. Plan)
- High development 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 redevelopment with long-term affordable housing and public improvements will be constructed without the use of Tax Increment Financing.



The CITY of
EDINA

Questions / Discussion



Edina Housing and Redevelopment
Authority
Established 1974

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

Date: October 14, 2021

Agenda Item #: VII.B.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Bill Neuendorf, Economic Development Manager

Item Activity:
Action

Subject: Edina Theater 3911 W. 50th Street - Financial
Support for Re-Occupancy

ACTION REQUESTED:

Approve the Term Sheet and authorized staff to prepare contractual agreements to provide financial support to the landlord and tenant.

INTRODUCTION:

This item pertains to the re-modeling and re-occupancy of the Edina Theater. The previous tenant vacated the facility in early 2021 due largely to the economic impacts of the ongoing COVID-19 pandemic.

The landlord is prepared to lease the facility to a new operator. Substantial renovations are necessary before the facility will be viable in the marketplace.

Due to the importance of this facility to the community, staff has prepared a Term Sheet to identify business terms by which the City and HRA could provide financial support.

Staff will present these terms for consideration at the HRA Board meeting. Representatives from the owner tenant will also be available for questions.

Staff recommends approval of the Term Sheet and seeks authorization to prepare contractual agreements with the tenant and landlord based on the approved Terms.

ATTACHMENTS:

Term Sheet - 3911 W. 50th Street

Staff Presentation

Edina Theater – 3911 West 50th Street

Business Term Sheet for Revitalization and Re-Occupancy

SUMMARY

In business since 1934, the Edina Theater closed to the public in March 2020 due to the COVID-19 pandemic. After a prolonged closure, the former tenant (Landmark Theatres) vacated the premises after challenges in the industry and the pandemic threatened the viability of operations. The former tenant halted all payments and discontinued maintenance in early 2020. They also removed much of the equipment required for a new entity to operate the facility.

The Landlord and Tenant attest that without financial participation by the City, their efforts to revitalize the facility and resume operations would not be possible. The City and HRA have the ability to provide one-time financial support so that operations can continue in the future. Such support will stabilize the tax base and retain a destination for residents and other customers who support other nearby businesses.

PROPERTY OWNER	PROSPECTIVE TENANT
JSG Company 5850 Opus Parkway #108 Minnetonka, MN 55343 Attn: Suzie Haugland	Mann Theatres (or related entity) 900 East 80 th Street Bloomington, MN 55420 Attn: Steve Mann https://manntheatres.com/

LEASE TERMS

The owner and tenant intend to enter into a 5-year lease with at least one 5-year renewal option. Lease execution is contingent upon pledge of financial support from the City and HRA. The lease is anticipated to allow for a re-opening in first quarter of 2022.

OPERATING CONDITIONS

Mann Theatres, the prospective tenant intends to revive operations at the Edina Theater. The renewed operations are anticipated to include a mix of popular films and art films. Live events are also anticipated. The operations will be unique in the Twin Cities metro area, creating a destination for discerning audience members seeking high quality entertainment for all ages.

Several temporary construction jobs will be created during the renovations to the facility. Upon completion, new permanent jobs will also be created.

OWNER AND TENANT INVESTMENT

Extensive renovations are required to return the facility to a condition where it is desirable to customers and capable of sustained profitability. Improvements are necessary to portions of the exterior of the building, interior common areas of the buildings, interiors of the four auditoriums, to the mechanical systems and equipment essential to operations including the historic sign. Both Landlord and Tenant will share in the expenses required to substantially renovate the facility. The cumulative investment is estimated to be approximately \$1.5 million. The work will be carried out over several months.

CITY FINANCIAL CONTRIBUTION

On September 9, 2021, the City of Edina agreed to provide a financial contribution to make the substantial renovation of this facility possible. The City support includes:

- Up to \$200,000 grant to Landlord (using ARPA funds)
- Payment subject to executed grant documents and confirmation of expenses incurred

HRA FINANCIAL CONTRIBUTION

The Edina HRA will provide additional financial contributions to make the substantial renovation of this facility possible. The HRA support includes:

- Up to \$300,000 forgivable loan to Tenant (TIF funds anticipated subject to Public Hearing and formal action)
- Payment subject to executed forgivable loan documents, confirmation of qualified expenses incurred and renewed operations
- Qualified expenses will be formally identified in the loan documents and are anticipated to include items such as:
 - Improvements to common areas such as flooring, ceiling, lighting, walls and wall coverings, furnishings, decorations and concession stands/ bar areas, as needed to deliver a first rate movie going experience for customers of all ages in the main lobby and entrances, concessions area, mezzanine level toilet rooms and related lounge and upper level café/concessions area.
 - Improvements to exterior shell of the building, such as doors, lighting, security camera systems and exterior water source
 - Re-lamping and associated repairs to the historic sign and marque
 - Improvements that address indoor air quality and similar public health concerns

- Improvements to elevator, toilet rooms and other elements of the accessible routes to better serve people with disabilities
- Improvements to the energy efficiency or environmental sustainability
- The loan will be fully forgiven if the facility remains operating in good standing for six or more years after the initial re-opening date. The loan forgiveness will be prorated if the tenant ceases operations before the sixth anniversary as follows: 25% forgiven after 1 year anniversary, 50% forgiven at 2 years, 60% forgiven at 3 years, 70% forgiven at 4 years, 80% forgiven at 5 years. No further proration will be considered.
- All brick and mortar improvements funded with City/HRA monies must stay with the building throughout the term of the lease unless written consent received from City Manager to remove them
- Total Public reimbursement of private investment shall not exceed 50% of the total investment of the Landlord and Tenant.
- Miscellaneous Conditions for Tenant
 - Membership in Business Association anticipated
 - Participate in shared recycling and composting programs
 - Cooperate with Edina and Twin City based non-for-profits to allow community events, film festivals and similar special events to be offered in the Edina Theater. Terms for such activities shall be formally identified in the loan documents and presume that use of the facilities to be provided to eligible groups at below-market rates that cover the tenant's operational costs of the special event. All such special events to be scheduled at mutually agreeable times and the use rates may change depending on the day and time of the special event and any fee charged by the non-for-profit holding the special event.
- Additional funds may also be considered to complete public improvements to adjacent public sidewalks and public parking facilities (TIF Allocation) subject to required Public Hearing
 - Public improvements to be bid, contracted and managed by City and will not be assessed to the 50th & France Maintenance Assessment District
 - Scope limited to public sidewalks, crosswalks and public parking facilities required for access to the Theater and use by Theater customers
 - This work does NOT grant any special use privileges to Theater patrons or staff that are not otherwise available to the general public.
 - Anticipated to be completed no later than 12/31/2022 unless delays beyond the control of City

END

www.EdinaMN.gov



The CITY of
EDINA

Edina Theater – 3911 W. 50th Street Financial Support for Re-Occupancy

Edina Housing & Redevelopment Authority
October 14, 2021

Background



The CITY of
EDINA



Photo Source: Minnesota Historic Society

SUN CURRENT
FEATURED

Historic Edina theater closes indefinitely after operator exit

Updated Jun 3, 2021



Edina Theatre closes indefinitely after its operator, Landmark Theatres, decided to leave it. (Sun Current staff photo by Caitlin Anderson)

The Edina Cinema, which has been under the operation of Landmark Theatres since 2003, has remained closed since the start of the pandemic in March. After Landmark decided to drop the theater this spring, that closure could become permanent.

The search is underway to find a new operator, but at this point, the outcome looks discouraging, the owner has said.

The theater was built in 1934. The site was renovated to its current form in 1988, according to Landmark's description of the theater.

Landmark is also facing eviction at its Uptown Theatre location in Minneapolis after owing more than \$340,000 in unpaid rent, operating expenses and late fees, according to Hennepin County District Court documents.

The Edina Heritage Preservation Board decided in 2002 that Edina Theatre's most historically significant architectural feature is its sign, according to the city website.

But it was also determined that the sign's heritage value is not dependent on the theater facade.

If the theater in the future were to be redeveloped, the sign could be relocated.

The owner of the theater received the 2004 Edina Heritage Award for the restoration of the sign after a tornado damaged it in 1981.

The Sun Current reached out to the Landmark Theatres' contact for Edina Cinema but did not receive a response prior to publishing.

— Follow Caitlin Anderson on Twitter @EdinaSunCurrent

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The CITY of
EDINA

Property Owner

- JSG Properties
- Suzie Haugland
- Long term owner and business operator

Prospective Tenant

- Mann Theatres
- Steve Mann
- Multi-generation family business
- Former owner / operator

These parties intend to revive operations with a unique mix of art films supplemented with popular films and live events. The cost to renovate and re-open the facility is very high. Without support from the City, the parties are unable to make the needed \$1.5 million investment to the facilities.

Scope of Work

- The owner and previous operator suffered negative economic impacts due to the pandemic.
- The existing facility requires substantial renovation before it can be re-opened.



The CITY of
EDINA

- Updated common areas
 - lobbies on both levels
 - concession areas
 - upper level café area
 - toilet rooms
- Updated auditoriums
 - seats
 - audio equipment
 - video equipment
- Repaired historic sign

Scope of Work

- Landlord and tenant to update facilities in 2021-22
- Re-opening anticipated Q1 2022
- Tenant will make facilities available “at cost” to local community groups to hold community events, film festivals, etc.



The CITY of
EDINA

Recommended Assistance



The CITY of
EDINA

- \$200,000 grant to Landlord (ARPA)
- \$300,000 forgivable loan to Tenant (TIF or other HRA funds)
 - Funds invested in brick and mortar improvements to building
- Additional public improvements to adjacent sidewalks and parking facilities used by theater patrons
- All funds subject to executed contractual agreements

Requested Action



The CITY of
EDINA

- Approve the Term Sheet and authorize staff to prepare contractual agreements to provide financial support to the landlord and tenant.
- Staff, landlord and tenant available for questions



Edina Housing and Redevelopment
Authority
Established 1974

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

Date: October 14, 2021

Agenda Item #: VII.C.

To: Chair & Commissioners of the Edina HRA

Item Type:
Other

From: Liz Olson, Administrative Support Specialist

Item Activity:
Action

Subject: MOTION TO CLOSE SESSION: as permitted by
MS. 13D.05 subdivision 3 to discuss the potential
Sale of Real Property located at 5146 Eden Avenue.

ACTION REQUESTED:

Motion to Close session of the Edina HRA as permitted by MS. 13D.05 subdivision 3 to discuss the potential Sale of Real Property located at 5146 Eden Avenue.

INTRODUCTION:



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Date: October 14, 2021

Agenda Item #: VII.D.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Bill Neuendorf, Economic Development Manager

Item Activity:
Discussion

Subject: CLOSED SESSION - Potential Sale of Real Estate
at 5146 Eden Avenue

ACTION REQUESTED:

No action required; for discussion only.

INTRODUCTION:

A developer has submitted a Letter of Intent to acquire a portion of the vacant site at 5146 Eden Avenue.

Staff will present a summary of the terms for discussion in closed session. No action will be taken during the "closed" portion of the meeting.

ATTACHMENTS:



Edina Housing and Redevelopment
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Date: October 14, 2021

Agenda Item #: VII.E.

To: Chair & Commissioners of the Edina HRA

Item Type:
Other

From: Liz Olson, Administrative Support Specialist

Item Activity:
Action

Subject: Motion to move back into open session

ACTION REQUESTED:
Motion to move back into open session.

INTRODUCTION: