

Agenda
Edina Housing and Redevelopment Authority
City of Edina, Minnesota
Edina City Hall Council Chambers
Thursday, November 15, 2018
7:30 AM

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

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

- V. Adoption of Consent Agenda

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

- A. Minutes: Work Session and Regular Meeting, October 25, 2018
- B. Receive Payment of Claims As Per: Claims Pre-List Dated Nov. 9, 2018 TOTAL \$1,054,114.41
- C. Release Agreement: Edina HRA and Shaner Edina, LLC

- VI. Reports/Recommendations: (Favorable vote of majority of Commissioners present to approve except where noted)

- A. Resolution 2018-11: Establish West 76th Street Tax Increment Financing District and Modify Southdale 2 Tax Increment Financing Plan
- B. Fair Housing Policy

VII. Correspondence

A. Correspondence

VIII. HRA Commissioners' Comments

IX. Executive Director's Comments

A. 2019 HRA Meeting Schedule

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: November 15, 2018

Agenda Item #: IV.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Minutes

From: Sharon Allison, Executive Assistant

Item Activity:
Action

Subject: Minutes: Work Session and Regular Meeting,
October 25, 2018

ACTION REQUESTED:

Approve the October 25, 2018, work session and regular meeting minutes of the HRA.

INTRODUCTION:

ATTACHMENTS:

Work Session Minutes

Regular Meeting Minutes

**MINUTES
OF WORK SESSION
OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY
OCTOBER 25, 2018
7:30 A.M.**

I. CALL TO ORDER

Chair Hovland called the HRA meeting to order at 7:35 a.m.

II. ROLL CALL

Answering rollcall were Commissioners Stewart, Fischer, Brindle, Staunton and Chair Hovland.

Edina Neighbors for Affordable Housing (ENAH) members present: Hope Melton, Arnie Bigbee, Ricardo Perez, and Carol Bromer.

III. JOINT MEETING WITH EDINA NEIGHBORS FOR AFFORDABLE HOUSING

Ms. Hope Melton with ENAH explained that their group started one year ago and has over 100 members. She said their intention was to work with the City, staff, East Edina Housing Foundation and other community organizations.

Ms. Melton asked that the City voluntarily incorporate specific policy recommendations from ENAH's 2018-2019 Affordable Housing Policy Platform as followed: 1) Affirmatively Furthering Fair Housing; 2) require all developers to contribute toward affordable housing; 3) 3-P framework of Preserving, Protecting and Producing; and adopt the Tenant Protection Ordinances (90 Day Advance Notice, Section 8 Protection, and Extend Just Case Requirements); 4) develop the Metropolitan Council forecast need for affordable housing units by 2030; and, 5) make several changes to the Edina Affordable Housing Policy. Additionally, she stated two concerns: 1) the need to educate residents about the importance of development and increases in height and density for affordable housing; and, 2) cautioned against the financialization of affordable housing.

Discussion included current lawsuit against the Section 8 Protection Ordinance, concerns from the City's attorney regarding several recommendations that were not legislatively supported; saturation concerns from school district; amendment frequency of policy; panel discussion with developers to understand if what the City was requiring them to do was feasible and how they advertise and equitably fill affordable units; and develop a plan for communicating where affordable units were in Edina.

IV. ADJOURNMENT

Chair Hovland adjourned the meeting at 8:25 a.m.

Respectfully submitted,

Scott Neal, Executive Director

**MINUTES
OF REGULAR MEETING
OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY
OCTOBER 25, 2018
8:15 A.M.**

I. CALL TO ORDER

Chair Hovland called the HRA meeting to order at 8:28 a.m.

II. ROLL CALL

Answering rollcall were Commissioners Fischer, Staunton, Chair Hovland, Brindle, and Stewart.

III. APPROVAL OF MEETING AGENDA

Motion made by Commissioner Brindle seconded by Commissioner Fischer approving the Meeting Agenda.

Ayes: Fischer, Staunton, Hovland, Brindle, Stewart

Motion carried.

IV. COMMUNITY COMMENT – None.

V. CONSENT AGENDA ADOPTED

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

V.A. Minutes of October 11, 2018, Regular and Work Session.

V.B. Resolution 2018-10 Finding of Substandard Buildings at 4500 France Avenue.

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

VI.A. PROJECT UPDATE

Mr. Neuendorf answered questions of the HRA.

VI.B. AFFORDABLE HOUSING SEWER AND WATER RESIDENTIAL EQUIVALENCY CHARGE FEE REDUCTION

Ms. Hawkinson said this item would be presented to the City Council for approval later this year as part of the annual Fee Schedule. She explained that both the Met Council and the City has a sewer and water residential equivalency fee (SAC/WAC) and the Met Council allows for a reduction of the fee if projects meet certain requirements. She proposed that the City follow the Met Council's fee reduction. Ms. Hawkinson said when developers apply for grant funding, there is a predictive model of unit costs and the full access fee could bump a project's costs over the predictive model. Ms. Hawkinson answered questions of the HRA.

VII. CORRESPONDENCE – None.

VIII. HRA COMMISSIONERS' COMMENTS

Commissioner Brindle said the Governor's Report on Housing was released recently and a priority was preservation of single-family homes as affordable housing. She spoke with MN Housing Finance Agency to learn about strategies and grant opportunities that could benefit Edina. She will follow up with the HRA as more information becomes available.

IX. EXECUTIVE DIRECTOR'S COMMENTS

Executive Director Neal asked the HRA to think about their 2018 Thursday morning meetings to see if they would like to have the same schedule in 2019 and be prepared to set the 2019 schedule in November or December.

X. ADJOURNMENT

Minutes/HRA/October 25, 2018

There being no further business on the HRA Agenda, Chair Hovland declared the meeting adjourned at 9:06 a.m.

Respectfully submitted,

Scott Neal, Executive Director



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Date: November 15, 2018

Agenda Item #: IV.B.

To: Chair & Commissioners of the Edina HRA

Item Type:
Claims

From: Don Uram, Finance Director

Item Activity:
Action

Subject: Receive Payment of Claims As Per: Claims Pre-List
Dated Nov. 9, 2018 TOTAL \$1,054,114.41

ACTION REQUESTED:

Approve Claims for payment.

INTRODUCTION:

Going forward, the HRA will be presented claims for approval similar to the existing process followed by the City Council.

ATTACHMENTS:

HRA Check Register 11.09.2018

Note: Payment amount may not reflect the actual amount due to data sequencing and/or data selection.

Council Check Summary

10/19/2018 - 11/8/2018

Check #	Date	Amount	Supplier / Explanation	PO#	Doc No	Inv No	BU	Obj	Sub	Subledger	Account Description	BU Description	Co	Dept	Div	
7220	11/1/2018		101483 MENARDS													
		19.88	MOUNTING TAPE		474947	79612	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		19.88														
7251	11/8/2018		102146 JESSEN PRESS INC.													
		127.00	NORTH RAMP EXP - WAYFINDING		475565	680555	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		127.00														
7254	11/8/2018		101483 MENARDS													
		18.35	VEHICLE CHARGER MATERIAL		475567	80049	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		18.35														
7255	11/8/2018		100898 MINVALCO													
		201.50	STAIRWELL DAMPER		475570	137549	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		201.50														
429488	10/25/2018		143554 DAY BRIGHTENER BAKERY, LLC													
		365.00	NORTH RAMP EXP - WAYFINDING		474546	2070	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		365.00														
429549	10/25/2018		140948 MOHAGEN / HANSEN ARCHITECTURAL GROUP													
		1,633.91	NORTH RAMP EXP-ARCHITECT		474419	43761	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		1,633.91														
429579	10/25/2018		100995 SEH													
		2,068.47	INTERLACHEN BLVD		474432	358072	9232	6133			PROFESS SERVICES-ENGINEERING	CENTENNIAL TIF DISTRICT	09232	14		
		2,068.47														
429581	10/25/2018		120784 SIGN PRO													
		56.05	NORTH RAMP EXP -WAYFINDING		474436	13479	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		56.05														
429588	10/25/2018		143558 SPALON MONTAGE													
		1,254.42	DAMAGE BADER-SPALON		474522	10-23-2018	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		1,254.42														
429629	11/1/2018		141972 AP MIDWEST LLC													
		902,302.40	NORTH RAMP EXP - A & P #9		474630	APPL 9	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		902,302.40														
429669	11/1/2018		100730 DORSEY & WHITNEY LLP													
		4,416.00	NORTH RAMP EXP LEGAL		474631	3453099	9232	6710			EQUIPMENT REPLACEMENT	CENTENNIAL TIF DISTRICT	09232	14		
		616.50	4500 FRANCE TIF ESCROW		474632	3453037	9210	2066			ESCROW DEPOSITS	HRA ADMINISTRATION	09210	14		
		22,983.50	PENTAGON SOUTH TIF ESCROW		474638	3453036	9210	2066			ESCROW DEPOSITS	HRA ADMINISTRATION	09210	14		
		28,016.00														
429674	11/1/2018		100049 EHLERS & ASSOCIATES INC.													
		1,495.00	PENTAGON SOUTH TIF ESCROW		474633	78366	9210	2066			ESCROW DEPOSITS	HRA ADMINISTRATION	09210	14		



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Date: November 15, 2018

Agenda Item #: IV.C.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Don Uram, Finance Director

Item Activity:

Subject: Release Agreement: Edina HRA and Shaner Edina,
LLC

Action

ACTION REQUESTED:

Approve Release Agreement between the City of Edina HRA and Shaner Edina, LLC doing business as the Residence Inn by Marriott.

INTRODUCTION:

In 2014, the City Council adopted Ordinance 2014-04 imposing a lodging tax of 3% on properties within the City. This ordinance was effective July 1, 2014 and is currently being imposed on the Residence Inn (Edinborough) and the Westin Galleria. The ordinance further stated that 95% of the proceeds would be used to fund a local convention or tourism bureau. These funds, which exceed \$400,000 annually are being used to support Explore Edina.

Like other properties adjacent to Centennial Lakes and Edinborough, the Residence Inn is subject to a Park Maintenance Fee per agreement dated November 13, 1989. A provision in that agreement stated that if a lodging tax was ever imposed that the park maintenance fee would be capped at \$15 per room or \$1,995 per month. At the time the tax was imposed (7/14), the Residence Inn was paying \$3,512.32 per month. Recently it was discovered that the reduced rate was never applied and the Residence Inn continued to pay the higher amount. As a result, an overpayment of \$ 82,287.97 was made by the hotel to the City.

Staff brought this to their attention in August and through a series of conversations have agreed to the terms in the attached Release Agreement. In summary, these terms include a release of the park maintenance fee payment by the hotel beginning on January 1, 2019 for 3 years (\$71,820) plus a generous contribution by Shaner Edina to Edinborough of \$10,467.97 to equal the total owed them by the City.

ATTACHMENTS:

Release Agreement - Shaner Edina LLC

RELEASE AGREEMENT

THIS RELEASE AGREEMENT (“Release Agreement”), dated _____, 2018, entered into by and between the **CITY OF EDINA HOUSING AND REDEVELOPMENT AUTHORITY**, a body politic and corporate under the laws of the State of Minnesota (“Edina HRA”), and **SHANER EDINA, LLC**, a Delaware limited liability company, (“Property Owner”).

RECITALS

WHEREAS, Hawthorn Suites Edina Limited Partnership (HSELP) was the prior owner of property (“Property”) legally described as Lot 1, Block 1, Edinborough Addition, according to the plat thereof, Hennepin County, Minnesota; and

WHEREAS, on October 31, 1989, HSELP and the Edina HRA entered into an Agreement for Covenants Running with the Land (“Covenant Agreement”) which was recorded in the office of the Hennepin County Recorder as document number 2052691 on November 13, 1989.

WHEREAS, the Covenant Agreement requires the payment of a fee (“Public Maintenance Charge”) to be used by the Edina HRA for the maintenance of what is now known as Edinborough Park; and

WHEREAS, pursuant to the Covenant Agreement, said Public Maintenance Charge was owed monthly by all owners of the Property; and

WHEREAS, Property Owner obtained title to the Property on January 20, 1997; and

WHEREAS, the parties determined that there has been an error in the past payments of the Public Maintenance Charge; and

WHEREAS, at all relevant times, the Edina HRA has been the owner of Edinborough Park; and

WHEREAS, in an effort to settle all past and outstanding claims by the Edina HRA against Property Owner and by Property Owner against the Edina HRA, the parties have agreed to the terms of this Release Agreement.

NOW, THEREFORE, the parties, in consideration of the following provisions and covenants, do hereby agree as follows:

1. Reduction in Public Maintenance Charge. In exchange for the release of all Claims (as defined below), the amount of the Public Maintenance Charge owed by the Property Owner for the Property shall be reduced to \$0.00 for the period of January 1, 2019 to December 31, 2021. On January 1, 2022, the public maintenance charge shall increase to the amount owed on that date pursuant to the Covenant Agreement.

2. Release of Claims. Upon execution of this Release Agreement, the Edina HRA shall give up all Claims (defined below) against Property Owner. The Edina HRA will not bring any lawsuits, file any charges, complaints, or notices, or make any other demands against any of the Property Owner based on said Claims. For the purposes of this paragraph, "Claims" means all of the rights the Edina HRA has now to any relief of any kind from Property Owner for Public Maintenance Charges owed for the Property on or before the date of this Release Agreement. "Claims" does not include the rights of the Edina HRA related to Public Maintenance Charges which may become due after the date of this Release Agreement or which are owed for properties other than the Property.

Upon execution of this Release Agreement, the Property Owner shall give up all Claims (defined below) against Edina HRA. The Property Owner will not bring any lawsuits, file any charges, complaints, or notices, or make any other demands against any of the Edina HRA based on said Claims. For the purposes of this paragraph, "Claims" means all of the rights the Property Owner has now to any relief of any kind from Edina HRA for Public Maintenance Charges owed for the Property on or before the date of this Release Agreement. "Claims" does not include the rights of the Property Owner related to Public Maintenance Charges which may become due after the date of this Release Agreement or which are owed for properties other than the Property.

3. Continuing Responsibility. Property Owner shall continue to be responsible for the payment of Public Maintenance Charges that become due on or after January 1, 2022, during the time Property Owner owns the Property, in the manner set forth in the Covenant Agreement.

4. No Admission of Liability. It is expressly understood and agreed that the above reduction in Public Maintenance Charge is for the purpose of settling and compromising claims by Edina HRA against the Property Owner, which are disputed. It is understood and agreed that this settlement does not constitute any admission of fault, responsibility, or liability on the part of the Property Owner or the Edina HRA and that all fault, responsibility or liability on the part of the Property Owner or the Edina HRA is expressly denied.

5. Gift. The parties agree that, \$10,467.97 in payments previously made by the Property Owner to the Edina HRA in 2018 under the Covenant Agreement, the receipt of which is hereby acknowledged by the Edina HRA, shall be considered a gift by the Property Owner to the Edina HRA and are hereby accepted by the Edina HRA as such.

6. No Third Party Rights. This Release Agreement is solely for the benefit of the parties hereto. This Release Agreement shall not create or establish any rights in or for the benefit of any third party. This Release Agreement does not release any third party from its obligation to pay the Public Maintenance Charge.

7. Entire Agreement. It is understood and agreed that the entire agreement of the parties is contained herein and that this Release Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof. Any alterations, amendments, deletions and waivers of the provisions of this Release Agreement shall be valid only when reduced to writing and duly signed by each party.

8. Governing Law. This Release Agreement will be governed and construed in accordance with the laws of the State of Minnesota, regardless of the parties' domicile or status as residents of Minnesota or any other state. The parties agree that the Minnesota state and federal courts will have exclusive jurisdiction over any dispute arising out of this Release Agreement.

9. Executed in Counterparts. This Release Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Release Agreement.

IN WITNESS WHEREOF, the parties have caused this Release Agreement to be executed on the date written above.

**CITY OF EDINA HOUSING AND
REDEVELOPMENT AUTHORITY**

By: _____
James B. Hovland, Chair

And: _____
Robert J. Stewart, Secretary

**PROPERTY OWNER
SHANER/EDINA, LLC**

By: George P. Wolfe
GEORGE P. WOLFE
Its: S.R. V.P. AND GENERAL COUNSEL



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4801 West 50th Street
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Date: November 15, 2018

Agenda Item #: V.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Report / Recommendation

From: Bill Neuendorf, Economic Development Manager

Item Activity:

Subject: Resolution 2018-11: Establish West 76th Street Tax
Increment Financing District and Modify Southdale 2
Tax Increment Financing Plan

Action

ACTION REQUESTED:

Approve Resolution 2018-11.

INTRODUCTION:

This item pertains to the creation of a new Tax Increment Financing District to support the redevelopment of property at 4100 West 76th Street including the creation of approximately 80 units of affordably-priced rental housing. This item also includes a second modification to the Plan for the existing Southdale 2 Tax Increment Financing District to recognize the new TIF District and to enable pooling necessary to provide financial support for affordably-priced housing in Edina.

Implementation of this resolution is contingent upon final approval by the City Council after a public hearing scheduled for November 20, 2018.

Staff recommends the approval of this Resolution.

ATTACHMENTS:

Staff presentation

Staff Report: W. 76th TIF & Southdale 2 TIF

Resolution No. 2018-11

West 76th Street TIF Plan

Southdale 2 TIF Plan mod #2

**This sheet serves as a placeholder for the staff presentation
delivered on November 15, 2018**



Date: November 15, 2018

To: Chair & Commissioners of the Edina HRA

From: Bill Neuendorf, Economic Development Manager

Subject: Resolution 2018-11: Establish West 76th Street Tax Increment Financing District and Modify Southdale 2 Tax Increment Financing Plan

Information / Background:

For several years, the City and Housing and Redevelopment Authority (HRA) have made efforts to support new housing that is affordably-priced in Edina. Special legislation was approved in 2014 and 2017 to provide a local revenue source that could be used to support construction costs without overburdening the local tax payers. That special legislation was used to help provide local funding to Beacon Interfaith Housing when they constructed the 66 West Apartments in 2016. This proposed Resolution would enable the second application of the special legislation to support Aeon as they compile funding for new affordably priced housing at 4100 West 76th Street.

The proposed Resolution follows through on pledges made in May 2018 via Resolutions 2018-03 and 2018-04. Those previous Resolutions pledged to provide financial support in a total amount of \$3,325,000 using tax increment or other funds available to the City and HRA.

Tax Increment Financing 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 neighboring municipalities.

In this case, staff recommends that a new TIF District be created so that the financial gap of the proposed affordably-priced apartment project can be bridged. This recommendation is based on the following:

- Creation of new affordably-priced housing is a goal of the City and HRA
- District is located within the boundaries of the Southeast Edina Redevelopment Project Area
- Boundaries limited to a single 2-acre property that is likely to redevelop soon
- District complies with the State requirements for a 20-year “housing” district
- Affordably-priced housing developments require funding from a number of different sources to become viable
- The developer has site control and is actively pursuing other funding sources

In order to provide local financing for affordable housing, the budget in the Southdale 2 Tax Increment Financing Plan must also be amended. The boundaries of the District are intended to remain the same and the expiration of this District remains scheduled for 2021.

The Southdale 2 TIF District was established in 2012 using one-time legislation created by Governor Dayton to promote job creation and investment throughout Minnesota. The creation of this TIF District and one-time TIF loan to the owner of the mall resulted in more than \$300 million in private investment in and around Southdale Center Mall. In addition to new and upgraded retail space, the new investment also included hundreds of new luxury apartments and a new hotel.

In 2014 and 2017, the City secured special legislation to pool some of the new incremental property taxes to support the creation of new affordably-priced housing in Edina. The modified Southdale 2 TIF Plan includes several edits to recognize potential TIF support for the proposed housing development at 4100 West 76th Street and perhaps similar housing developments located elsewhere in Edina.

Ehlers Associates, the City’s public finance advisor has prepared a Tax Increment Financing Plan to establish the parameters of the new TIF District. They also prepared modifications to the Southdale 2 TIF Plan. These Plans have been reviewed by the City’s special counsel for redevelopment matters – Dorsey & Whitney to ensure compliance with State Law.

Notices regarding these Plans have been distributed to affected taxing agencies, including the Edina School District, Richfield 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 West 76th Street TIF District or modifications to the Southdale 2 TIF Plan.

At this time, staff recommends that the new TIF District be established and the existing TIF Plan be modified. In the upcoming months, additional action will be requested to potentially acquire property or otherwise establish a firm agreement to provide funding for the Aeon project.

Staff recommends that Resolution 2018-11 be approved.

RESOLUTION NO. 2018-11
RESOLUTION ADOPTING A MODIFICATION TO THE REDEVELOPMENT
PLAN FOR THE SOUTHEAST EDINA REDEVELOPMENT PROJECT AREA,
ADOPTING A MODIFICATION TO THE TAX INCREMENT FINANCING
PLAN FOR THE SOUTHDALE 2 TAX INCREMENT FINANCING DISTRICT
THEREIN, AND ESTABLISHING THE WEST 76TH STREET TAX
INCREMENT FINANCING DISTRICT THEREIN AND ADOPTING 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"), a Modification to the Tax Increment Financing Plan for the Southdale 2 Tax Increment Financing District (the "TIF Plan Modification"), and establish the West 76th Street Tax Increment Financing District (the "District") and adopt a Tax Increment Financing Plan (the "TIF Plan") therefor (the Redevelopment Plan Modification, TIF Plan Modification, and the TIF Plan are referred to collectively herein as the "Plans"), all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.001 to 469.047 and Sections 469.174 to 469.1794, inclusive, as amended (the "Act"), and Minnesota Session Laws – 2017, 1st Special Session, Chapter 1 – HF No. 1, Article 6, Section 16 all as reflected in the Plans and presented for the Board's consideration; and

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

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

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

- I. The HRA hereby finds that the District is in the public interest and is a "housing district" under Minnesota Statutes, Section 469.174, Subd. 11 and Minnesota Session Laws – 2017, 1st Special Session, Chapter 1 – HF No. 1, Article 6, Section 16, finds that the adoption of the proposed Plans conform in all respects to the requirements of the Act and will help fulfill a need to develop an area of the State of Minnesota for affordable and high-quality housing and thereby serves a public purpose.

2. The HRA further finds that the Plans will afford maximum opportunity, consistent with the sound needs for the City as a whole, for the development or redevelopment of the Project Area by private enterprise in that the intent is to provide only that public assistance necessary to make the private developments financially feasible.
3. The boundaries of the Project Area are not being expanded.
4. The reasons and facts supporting the findings in this resolution are described in the Plans.
5. The HRA elects to calculate fiscal disparities for the District in accordance with Minnesota Statutes, Section 469.177, Subd. 3, clause b, which means the fiscal disparities contribution would be taken from inside the District. It is not anticipated that the District will contain commercial/industrial property. As a result, no impact is expected due to the fiscal disparities provision on 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 November 15, 2018.

James B. Hovland, Chair

ATTEST:

Robert J. Stewart, 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 November 15, 2018, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this _____ day of _____, 2018.

Executive Director



*As of November 9, 2018
Draft for Council consideration*

**Modification to the Redevelopment Plan
for the Southeast Edina Redevelopment Project Area**

and the

Tax Increment Financing Plan

for the establishment of

**the West 76th Street Tax Increment Financing District
(a housing district)**

within

the Southeast Edina Redevelopment Project Area

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

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Adopted:



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(for reference purposes only)

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

Foreword

The following text represents a Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. Generally, the substantive changes include the establishment of West 76th Street Tax Increment Financing District.

Municipal Action Taken

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(As Modified November 20, 2018)

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

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

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

Section 2 - Tax Increment Financing Plan for the West 76th Street Tax Increment Financing District

Subsection 2-1. Foreword

The Edina Housing and Redevelopment Authority (the "HRA"), the City of Edina (the "City"), staff and consultants have prepared the following information to expedite the establishment of the West 76th Street Tax Increment Financing District (the "District"), a housing tax increment financing district, located in the Southeast Edina Redevelopment Project Area.

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.001 to 469.047*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), and *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6*, to assist in financing public costs related to this project.

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

Subsection 2-3. Statement of Objectives

The District currently consists of one parcel of land and adjacent and internal rights-of-way. The District is being created to facilitate the construction of an 80-unit mixed income, affordable housing project in the City. Please see Appendix A for further District information. The HRA anticipates entering into an agreement with Aeon as the affordable housing developer at the time of preparation of the TIF Plan. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area.

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

Subsection 2-4. Redevelopment Plan Overview

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

1. Property to be Acquired - Selected property located within the District may be acquired by the HRA or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.

4. The HRA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.

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

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

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

Subsection 2-6. Classification of the District

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

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

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

M.S., Section 469.1761:

Subd. 1. Requirement imposed.

(a) In order for a tax increment financing district to qualify as a housing district:

(1) the income limitations provided in this section must be satisfied; and

(2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses.

(b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The

provisions of this section do not apply to districts located within a targeted area as defined in Section 462C.02 Subd 9, clause (e).

(c) For purposes of the requirements of paragraph (a), the authority may elect to treat an addition to an existing structure as a separate building if:

- (1) construction of the addition begins more than three years after construction of the existing structure was completed; and*
- (2) for an addition that does not meet the requirements of paragraph (a), clause (2), if it is treated as a separate building, the addition was not contemplated by the tax increment financing plan which includes the existing structure.*

Subd. 2. Owner occupied housing.

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

Subd. 3. Rental property.

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

Subd. 4. Noncompliance; enforcement.

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

In meeting the statutory criteria the HRA and City rely on the following facts and findings:

- The District consists of one parcel.
- The development will consist of 80-units of multi-family rental housing.

In meeting the criteria of *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6*, the HRA and City rely on the following facts and findings:

- At least 20% of the units will be occupied by person with incomes less than 60% of median income.

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

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

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6*, the duration of the District will be 20 years after receipt of the first increment by the HRA or City (a total of 21 years of tax increment). The HRA or City elects to receive the first tax increment in 2022, 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 2042, or when the TIF Plan is satisfied. The HRA or City reserves the right to decertify the District prior to the legally required date.

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

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

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

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

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

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

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Southeast Edina Redevelopment Project Area, upon completion of the project within the District, will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2021. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$115,015	
Original Estimated Net Tax Capacity (ONTC)	<u>\$16,364</u>	
Estimated Captured Tax Capacity (CTC)	\$98,651	
Original Local Tax Rate	1.11806	Pay 2018
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$110,298	
Percent Retained by the HRA	100%	

Tax capacity includes a 1.0% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 21. The tax capacity of the District in year one is estimated to be \$94,260

Pursuant to *M.S., Section 469.177, Subd. 4*, the HRA shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S.*,

Section 469.175, Subd. 4, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to M.S., Section 469.175, Subd. 3. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

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

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

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

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$2,057,503
<u>Interest</u>	<u>\$102,875</u>
TOTAL	\$2,160,378

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The HRA or City reserves the right to incur bonds or other indebtedness to help achieve the objectives of the TIF Plan. As currently proposed, the projects within the District will be financed by a pay-as-you-go note issued to reimburse the Developer for the funding of qualified affordable housing costs. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The HRA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$1,400,626. 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. Further information can be found in Appendix D.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate the construction of approximately 80 units of affordable multifamily housing. The HRA and City have determined that it will be necessary to provide assistance to the project for certain District costs, as described.

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

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Site Improvements/Preparation	\$0
Utilities	\$0
Construction of Affordable Housing	\$1,194,876
Other Qualifying Improvements	\$0
<u>Administrative Costs (up to 10%)</u>	<u>\$205,750</u>
PROJECT COST TOTAL	\$1,400,626
<u>Interest</u>	<u>\$759,752</u>
PROJECT AND INTEREST COSTS TOTAL	\$2,160,378

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

Estimated costs associated with the District are subject to change among categories without a modification to this TIF Plan as permitted by *M.S. Section 469.175, Subd. 4*. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S. Section 469.1763, Subd. 2*, the HRA may expend funds for qualified housing activities outside of the District boundaries.

Subsection 2-11. Fiscal Disparities Election

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

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

The City will choose to calculate fiscal disparities by clause b. It is not anticipated that the District will contain commercial/industrial property. As a result, there should be no impact due to the fiscal disparities provision on the District.

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

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

Subsection 2-12. Business Subsidies

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

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

- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

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

Subsection 2-13. County Road Costs

Pursuant to *M.S., Section 469.175, Subd. 1a*, the county board may require the HRA or City to pay for all or part of the cost of county road improvements if the proposed development to be assisted by tax increment will, in the judgment of the county, substantially increase the use of county roads requiring construction of road improvements or other road costs and if the road improvements are not scheduled within the next five years under a capital improvement plan or within five years under another county plan.

The county roads in the vicinity of the District include France Avenue (County Road 17). The HRA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing. If the county elects to use increments to improve county roads, it must notify the HRA or City within forty-five days of receipt of the TIF Plan submitted October 19, 2018. In the opinion of the HRA, City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads.

Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

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

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

IMPACT ON TAX BASE IF "BUT FOR" NOT MET			
	2017/Pay 2018 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,685,924,784	98,651	0.0059%
City of Edina	125,242,169	98,651	0.0788%
Edina Independent School District No. 273	103,546,097	98,651	0.0953%

IMPACT ON TAX RATES IF “BUT FOR” NOT MET

	<u>Pay 2018 Extension Rates</u>	<u>Percent of Total Rate</u>	<u>CTC</u>	<u>Potential Annual Taxes</u>
Hennepin County	0.428080	38.29%	98,651	42,231
City of Edina	0.278490	24.91%	98,651	27,473
Edina Independent School District No. 273	0.309720	27.70%	98,651	30,554
Other	<u>0.101770</u>	<u>9.10%</u>	<u>98,651</u>	<u>10,040</u>
Total	1.118060	100.00%		110,298

The estimates listed above display the captured tax capacity (CTC) when all construction anticipated in Appendix A is completed. The tax rate used for calculations is the actual Pay 2018 rate as obtained from Hennepin County. The total net tax capacity for the entities listed above are based on actual Pay 2018 figures. The District will be certified under the actual Pay 2019 rates, which were unavailable at the time this TIF Plan was prepared, assuming the request for certification is made prior to June 30, 2019.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$2,057,503;
- (2) Probable impact of the District on city provided services and ability to issue debt. Based upon input from the Edina Police Department, an impact of the District on police protection is not expected. The City Police Department does track all calls for service including property-type calls and crimes. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment.

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

Based upon input from the Edina Engineering Department, the impact of the District on public infrastructure is expected to be minimal. The development is not expected to require additional public infrastructure to address its impact to traffic movement in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, costs associated with street maintenance, sweeping, plowing, lighting and sidewalks are expected to be neutral. Under existing fee ordinance, the development in the District is expected to contribute an estimated \$274,776 in sanitary sewer (SAC) and water (WAC) connection fees.

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

- (3) Estimated amount of tax increment attributable to school district levies. *M.S. Section 469.175 Subd. 2(b)* requires the TIF Plan to calculate “*the estimated amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district’s share of the total local tax rate for a taxing jurisdiction remained the same.*” The amount of tax increments over the life of the 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 \$6569,928. The amount is calculated by multiplying the total estimated increment of \$2,057,203 by the percent of the proportionate share of the total tax rate of 27.70%.
- (4) Estimated amount of tax increment attributable to county levies. *M.S. Section 469.175 Subd. 2(b)* requires the TIF Plan to calculate “*the estimated amount of tax increments over the life of the District that would be attributable to county levies, assuming the county’s share of the total local tax rate for a taxing jurisdiction remained the same.*” The amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$787,818. The amount is calculated by multiplying the total estimated increment of \$2,057,203 by the percent of the proportionate share of the total tax rate of 38.29%.
- (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.

Subsection 2-15. Supporting Documentation

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

- Preliminary proposal and site plan from Aeon updated August 27, 2018.
- Resolution No. 2018-49 Supporting Affordably-Priced Housing at 4100 West 76th Street and Receptivity to Metropolitan Council Funding dated June 5, 2018.
- Resolution No. 2018-103 Approving a Comprehensive Plan Amendment Regarding Density at 4100 West 76th Street in the OR, Office Residential District.

Subsection 2-16. Definition of Tax Increment Revenues

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

1. *Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under M.S., Section 469.177;*
2. *The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the authority with tax increments;*

3. *Principal and interest received on loans or other advances made by the authority with tax increments;*
4. *Interest or other investment earnings on or from tax increments;*
5. *Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and*

Subsection 2-17. Modifications to the District

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

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

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

Pursuant to *M.S. Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. If a housing district is enlarged, the reasons and supporting facts for the determination that the addition to the district meets the criteria of *M.S., Section 469.174, Subd. 11* must be documented in writing and retained. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity or (B) the HRA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The HRA or City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 2-18. Administrative Expenses

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

1. *Amounts paid for the purchase of land;*
2. *Amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of the real property in the District;*
3. *Relocation benefits paid to or services provided for persons residing or businesses located in the District;*
4. *Amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to M.S., Section 469.178; or*

5. *Amounts used to pay other financial obligations to the extent those obligations were used to finance costs described in clauses (1) to (3).*

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

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

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently 0.36 percent) of any increment distributed to the HRA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in an account in the special revenue fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-19. Limitation of Increment

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

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

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

street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

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

Subsection 2-20. Use of Tax Increment

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

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

Revenues derived from tax increment from a housing district must be used solely to finance the cost of housing projects as defined in Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6 and Minnesota Session Laws 2014, Chapter 308, HF No. 3167, Article 6, Sec. 8, Subd.1(d). The cost of public improvements directly related to the housing projects and the allocated administrative expenses of the HRA or City may be included in the cost of a housing project.

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

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

Subsection 2-21. Excess Increments

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

1. Prepay any outstanding bonds;
2. Discharge the pledge of tax increment for any outstanding bonds;
3. Pay into an escrow account dedicated to the payment of any outstanding bonds; or

4. Return the excess to the County Auditor for redistribution to the respective taxing jurisdictions in proportion to their local tax rates.

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

Subsection 2-22. Requirements for Agreements with the Developer

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

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

Subsection 2-23. Assessment Agreements

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

Subsection 2-24. Administration of the District

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

Subsection 2-25. Annual Disclosure Requirements

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

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

Subsection 2-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future 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 the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon HRA and City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, 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 District and the use of tax increments.

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

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay public redevelopment costs of the the Southeast Edina Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.
2. Housing District Exceptions to Restriction on Pooling; Five Year Limit. Pursuant to *M.S., Section 469.1763, (1)* At least 80% of revenues derived from tax increments paid by properties in the District must be expended on Public Costs incurred within said district, and up to 20% of said tax increments may be spent on public costs incurred outside of the District but within the Southeast Edina Redevelopment Project Area; provided that in the case of a housing district, a housing project, as defined in *M.S., Section 469.174, Subd. 11*, is deemed to be an activity in the District, even if the expenditure occurred after five years.

Subsection 2-28. Summary

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

Appendix A

Project Description

Aeon, a non-profit owner, manager and developer of affordable housing in Minnesota, is proposing to construct and manage a development consisting of approximately 80 affordable housing units within the city.

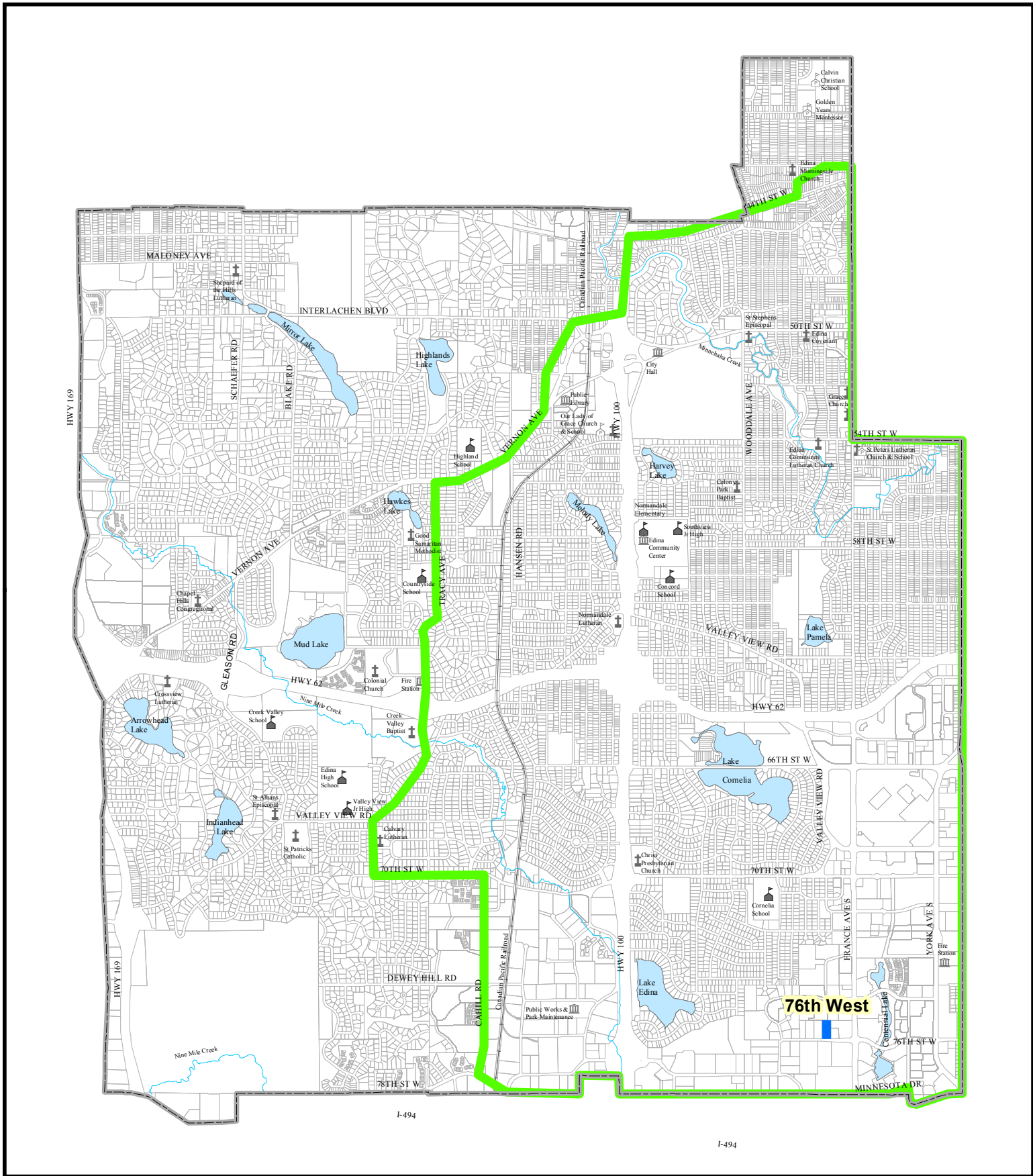
The development will be located at 4100 West 76th Street and is intended to fulfill a portion of the City's identified goal to provide affordable housing options for those who live and work within the City.

Aeon intends to acquire the existing 2-acre property which is occupied by a 1-story office building. The developer will demolish the building to clear the site for redevelopment into a four-story mixed-income multifamily residential building complete with one-level of underground parking intended for occupants and site staff. Amenities include a club room, fitness room, study spaces, laundry facilities, open space playground and outdoor patio. The site would also include walk out units and pedestrian/trail accessibility. The proposed unit mix includes 20 one-bedroom, 40 two-bedroom, and 20 three-bedroom units, all which will be restricted to households earning at or below 60% of the Area Median Income (AMI). Aeon further intends to restrict occupancy and rents across the 30% AMI, 50% AMI, and 60% AMI household income thresholds.

Construction is expected to begin by 2020 with completion and planned occupancy in 2021. Tax Increment from this TIF District as well as the Southdale 2 TIF District will be utilized alongside intended funding from Minnesota Housing Finance Agency, Metropolitan Council, Hennepin County and private sources to finance the estimated \$22 million affordable housing project.

Appendix B

Map of the Southeast Edina Redevelopment Project Area and the District



76th Street West TIF District

- 76th St West TIF District
- Southeast Edina Redevelopment Project Area





76th Street West TIF District

 76th St West TIF District

4100 76th St W
Edina, MN 55435
PID 31-028-24-41-0010



Engineering Dept.
September 2018

Appendix C

Description of Property to be Included in the District

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

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
31-028-24-41-0010	4100 - 76 th Street W.	MRI Property Holdings

Appendix D

Estimated Cash Flow for the District



West 76th Street Affordable Housing TIF

City of Edina, MN

80 units - 100% as Affordable Class 4d

ASSUMPTIONS AND RATES

DistrictType:	Housing	
District Name/Number:	Special Housing TIF	
County District #:	SD #273 / WD 1	
First Year Construction or Inflation on Value	2020	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	1.00%	
Interest Rate:	4.50%	
Present Value Date:	1-Aug-20	
First Period Ending	1-Feb-21	
Tax Year District was Certified:	Pay 2019	
Cashflow Assumes First Tax Increment For Development:	2022	
Years of Tax Increment	21	
Assumes Last Year of Tax Increment	2042	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)	
Incremental or Total Fiscal Disparities	Incremental	
Fiscal Disparities Contribution Ratio	32.2123%	Pay 2018
Fiscal Disparities Metro-Wide Tax Rate	145.0950%	Pay 2018
Maximum/Frozen Local Tax Rate:	111.806%	Pay 2018
Current Local Tax Rate: (Use lesser of Current or Max.)	111.806%	Pay 2018
State-wide Tax Rate (Comm./Ind. only used for total taxes)	43.8650%	Pay 2018
Market Value Tax Rate (Used for total taxes)	0.22182%	Pay 2018

Tax Rates		Rate
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 \$139,000		0.75%
Over \$139,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)

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
	31-028-24-41-0010			2,177,200	4,600	2,181,800	100%	2,181,800	Pay 2019	C/I Pref.	42,886	Aff. Rental	16,364	
				2,177,200	4,600	2,181,800		2,181,800			42,886		16,364	

Note:

1. Base values are for pay 2019 based upon review of County website on 10.12.2018.



West 76th Street Affordable Housing TIF

City of Edina, MN
80 units - 100% as Affordable Class 4d

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 2020	Percentage Completed 2021	Percentage Completed 2022	Percentage Completed 2023	First Year Full Taxes Payable
	Apartments	193,300	193,300	80	15,464,000	Aff. Rental	94,260	1,178	100%	100%	100%	100%	2022
TOTAL					15,464,000		94,260						
Subtotal Residential				80	15,464,000		94,260						

Note:

1. Market values are based upon review of like property within the City of Edina and preliminary estimates from the developer.

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	94,260	0	94,260	105,388	0	0	34,302	139,691	1,746.13
TOTAL	94,260	0	94,260	105,388	0	0	34,302	139,691	

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	139,691
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(34,302)
less Base Value Taxes	(18,295)
Annual Gross TIF	87,093



**West 76th Street Affordable Housing TIF
City of Edina, MN
80 units - 100% as Affordable Class 4d**

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
														02/01/21
														08/01/21
														02/01/22
100%	94,260	(16,364)	-	77,897	111.806%	87,093	43,546	(157)	(4,339)	39,051	35,725	0.5	2022	08/01/22
100%	95,203	(16,364)	-	78,839	111.806%	88,147	43,546	(157)	(4,339)	39,051	70,664	1	2022	02/01/23
							44,073	(159)	(4,391)	39,523	105,248	1.5	2023	08/01/23
							44,073	(159)	(4,391)	39,523	139,071	2	2023	02/01/24
100%	96,155	(16,364)	-	79,791	111.806%	89,211	44,606	(161)	(4,445)	40,001	172,549	2.5	2024	08/01/24
							44,606	(161)	(4,445)	40,001	205,290	3	2024	02/01/25
100%	97,116	(16,364)	-	80,753	111.806%	90,286	45,143	(163)	(4,498)	40,483	237,697	3.5	2025	08/01/25
							45,143	(163)	(4,498)	40,483	269,391	4	2025	02/01/26
100%	98,087	(16,364)	-	81,724	111.806%	91,372	45,686	(164)	(4,552)	40,969	300,760	4.5	2026	08/01/26
							45,686	(164)	(4,552)	40,969	331,438	5	2026	02/01/27
100%	99,068	(16,364)	-	82,705	111.806%	92,469	46,234	(166)	(4,607)	41,461	361,802	5.5	2027	08/01/27
							46,234	(166)	(4,607)	41,461	391,498	6	2027	02/01/28
100%	100,059	(16,364)	-	83,695	111.806%	93,576	46,788	(168)	(4,662)	41,958	420,888	6.5	2028	08/01/28
							46,788	(168)	(4,662)	41,958	449,631	7	2028	02/01/29
100%	101,059	(16,364)	-	84,696	111.806%	94,695	47,348	(170)	(4,718)	42,459	478,078	7.5	2029	08/01/29
							47,348	(170)	(4,718)	42,459	505,899	8	2029	02/01/30
100%	102,070	(16,364)	-	85,707	111.806%	95,825	47,913	(172)	(4,774)	42,966	533,432	8.5	2030	08/01/30
							47,913	(172)	(4,774)	42,966	560,360	9	2030	02/01/31
100%	103,091	(16,364)	-	86,727	111.806%	96,966	48,483	(175)	(4,831)	43,478	587,008	9.5	2031	08/01/31
							48,483	(175)	(4,831)	43,478	613,070	10	2031	02/01/32
100%	104,122	(16,364)	-	87,758	111.806%	98,119	49,059	(177)	(4,888)	43,995	638,862	10.5	2032	08/01/32
							49,059	(177)	(4,888)	43,995	664,086	11	2032	02/01/33
100%	105,163	(16,364)	-	88,799	111.806%	99,283	49,642	(179)	(4,946)	44,517	689,048	11.5	2033	08/01/33
							49,642	(179)	(4,946)	44,517	713,460	12	2033	02/01/34
100%	106,215	(16,364)	-	89,851	111.806%	100,459	50,229	(181)	(5,005)	45,044	737,618	12.5	2034	08/01/34
							50,229	(181)	(5,005)	45,044	761,245	13	2034	02/01/35
100%	107,277	(16,364)	-	90,913	111.806%	101,646	50,823	(183)	(5,064)	45,576	784,625	13.5	2035	08/01/35
							50,823	(183)	(5,064)	45,576	807,490	14	2035	02/01/36
100%	108,349	(16,364)	-	91,986	111.806%	102,846	51,423	(185)	(5,124)	46,114	830,116	14.5	2036	08/01/36
							51,423	(185)	(5,124)	46,114	852,244	15	2036	02/01/37
100%	109,433	(16,364)	-	93,069	111.806%	104,057	52,029	(187)	(5,184)	46,657	874,140	15.5	2037	08/01/37
							52,029	(187)	(5,184)	46,657	895,554	16	2037	02/01/38
100%	110,527	(16,364)	-	94,164	111.806%	105,281	52,640	(190)	(5,245)	47,206	916,743	16.5	2038	08/01/38
							52,640	(190)	(5,245)	47,206	937,466	17	2038	02/01/39
100%	111,633	(16,364)	-	95,269	111.806%	106,516	53,258	(192)	(5,307)	47,760	957,971	17.5	2039	08/01/39
							53,258	(192)	(5,307)	47,760	978,025	18	2039	02/01/40
100%	112,749	(16,364)	-	96,385	111.806%	107,765	53,882	(194)	(5,369)	48,319	997,867	18.5	2040	08/01/40
							53,882	(194)	(5,369)	48,319	1,017,273	19	2040	02/01/41
100%	113,876	(16,364)	-	97,513	111.806%	109,025	54,513	(196)	(5,432)	48,885	1,036,473	19.5	2041	08/01/41
							54,513	(196)	(5,432)	48,885	1,055,251	20	2041	02/01/42
100%	115,015	(16,364)	-	98,652	111.806%	110,298	55,149	(199)	(5,495)	49,456	1,073,831	20.5	2042	08/01/42
							55,149	(199)	(5,495)	49,456	1,092,001	21	2042	02/01/43
Total							2,064,937	(7,434)	(205,750)	1,851,753				
		Present Value From 08/01/2020		Present Value Rate	4.50%		1,217,718	(4,384)	(121,333)	1,092,001				

Appendix E

Housing Qualifications for the District

In meeting the criteria of *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6*, at least 20% of the units will be occupied by person with incomes less than 60% of median income.

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

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

***PLEASE NOTE: THESE NUMBERS ARE ADJUSTED ANNUALLY. ALL INCOME FIGURES REPORTED ON THIS PAGE ARE FOR 2018.

Appendix F

Findings for the District

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for the West 76th Street Tax Increment Financing District as required pursuant to *M.S., Section 469.175, Subd. 3* are as follows:

1. *Finding that the West 76th Street Tax Increment Financing District is a housing district as defined in M.S., Section 469.174, Subd. 11.*

The West 76th Street Tax Increment Financing District (the “District”) consists of one parcel within the City's the Southeast Edina Redevelopment Project Area. All or a portion of which will receive tax increment assistance and will meet income restrictions described in the Act and Minnesota Session Laws 2017, Chapter 1, H.F. No. 1, Article 6, Section 16. At least 20 percent of the units receiving assistance will have incomes at or below 60 percent of statewide median income. Appendix E of the TIF Plan contains background for the above finding.

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

This finding is supported by the fact that the development proposed in the TIF Plan is a housing district that meets the City’s objectives for redevelopment and is intended for occupancy by low and moderate-income persons. Due to the high cost of building affordable new housing in the City, this project is feasible only through assistance, in part, from tax increment financing. All of the proposed housing units are intended to be both rent and income restricted, and affordable rental revenues alone are insufficient to make the project economically feasible without public assistance. The necessity of public assistance is true for most affordable housing developments in Minnesota.

The affordable project also requires public assistance beyond tax increment. The developer has applied for public grants and an allocation of federal low-income housing tax credits from the Minnesota Housing Finance Agency (MHFA). The City’s tax increment assistance is necessary in order to leverage the potential federal subsidy. The developer has provided the City its estimated project budget and financing projections. City staff and the City’s advisors reviewed the information and have determined the information demonstrates the need for tax increment assistance as described in the TIF Plan.

3. *Finding that the TIF Plan for the West 76th Street Tax Increment Financing District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The Planning Commission reviewed the TIF Plan on November 14, 2018 and found that the TIF Plan conforms to the general development plan of the City.

4. *Finding that the Tax Increment Financing Plan for the West 76th Street Tax Increment Financing District will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Southeast Edina Redevelopment Project Area by private enterprise.*

Through the implementation of the TIF Plan, the HRA and City will provide an impetus for residential development which is desirable and necessary for meeting housing needs of people with a variety of incomes and provide housing that would otherwise not be available.

Appendix G

Special Legislation

Minnesota Session Laws – 2017, 1st Special Session
Chapter 1 – HF No. 1, Article 6

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

Authority to create districts.

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

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

EFFECTIVE DATE.

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

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

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

EFFECTIVE DATE.

This section is effective the day following final enactment.

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

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

Subdivision 1. Authority to create districts.

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

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

Subd. 2. Rules governing districts.

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

Subd. 3. Pooling authority.

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

EFFECTIVE DATE.

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



Draft for Council consideration

**Modification to the Redevelopment Plan
for the Southeast Edina Redevelopment Project Area**

and the

**Modification to the Tax Increment Financing Plan
for the
Southdale 2 Tax Increment Financing District
(an economic development district)**

within

the Southeast Edina Redevelopment Project Area

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

Adopted: April 17, 2012
Modification #1: April 5, 2016
Public Hearing for Modification #2: November 20, 2018



EHLERS

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

Foreword

The following text represents a Modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. This modification represents a continuation of the goals and objectives set forth in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area. Because the Southdale 2 Tax Increment Financing District (the “District”) is located within the Southeast Edina Redevelopment Project Area, the modification to the District must be listed in the Redevelopment Plan. Therefore, the following bold-faced text represents a Modification to Section 1 of the Redevelopment Plan.

Section 1 - Municipal Action Taken

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

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

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

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

October 5, 1981: The Southeast Edina Redevelopment 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 Plan which includes the establishment of an interest reduction program and enlarges the project area to include the “1985 Project Area.”

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

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

1988: The HRA and City approved the 1988 Amendments to the Southeast Edina

Redevelopment Plan that provide an Interest Reduction Program in the amount of \$2,500,000 to assist in the financing and construction of housing units, and authorizes the HRA and City to incur bonded indebtedness.

February 21, 2012: The HRA and City expand the Southeast Edina Project Area as can be seen in Appendix A.

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 establishing 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.

(AS MODIFIED NOVEMBER 20, 2018)

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 legislation pooling authority for affordable housing.

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

**Section 2 - Tax Increment Financing Plan
for the Southdale 2 Tax Increment Financing District**

Subsection 2-1. Foreword

The Edina Housing and Redevelopment Authority (the "HRA"), the City of Edina (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Southdale 2 Tax Increment Financing District (the "District"), an economic development tax increment financing district, located in the Southeast Edina Redevelopment Project Area (the "Project Area").

Subsection 2-2. Statutory Authority

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the HRA and City have certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.001 to 469.047*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1799*, inclusive, as amended (the "Tax Increment Financing Act" or "TIF Act"), to assist in financing public costs related to this project.

This District is being created pursuant to *M.S., Section 469.176, Subd. 4c(d)*.

(AS MODIFIED NOVEMBER 20, 2018)

This District is being modified to reflect *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6, Sec. 11 and Sec. 16.*

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.

Subsection 2-3. Statement of Objectives

The District currently consists of 300 parcels of land and adjacent and internal rights-of-way. The District is being created to facilitate renovations to the common areas of Southdale Mall in the City. Please see Appendix A for further District information. The HRA and City are considering entering into a redevelopment agreement that would designate Southdale Limited Partnership as the developer. This TIF Plan is expected to achieve many of the objectives outlined in the Redevelopment Plan for the Southeast Edina Redevelopment Project Area.

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

(AS MODIFIED APRIL 5, 2016)

The District is being modified in order to remove one parcel and to authorize pooling dollars for affordable housing purposes pursuant to *M.S., Section 469.1763, Subd. 2(d)*. Because the current net tax capacity of the parcel is lower than the frozen net tax capacity, the modification to the District must go through the entire public hearing process pursuant to *M.S., Section 469.175, Subd. 4*.

(AS MODIFIED NOVEMBER 20, 2018)

The District is being modified to increase the estimated affordable housing project costs to be financed by tax increment from the District as enabled by *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6, Sec. 11 and Sec. 16*. The Modification will allow the HRA and City to “*treat expenditures from the District for a housing project of a district established under this section as expenditures qualifying under Minnesota Statutes, Section 469.1763, Subdivision 2, paragraph (d): (1) without regard to whether the housing meets the requirement of a qualified building under Section 42 of the Internal Revenue Code; and (2) may increase by an additional 25 percentage points the permitted amount of expenditures for activities located outside the geographic area of the district permitted under that section.*”

Subsection 2-4. Redevelopment Plan Overview

1. Property to be Acquired - Selected property located within the District may be acquired by the HRA or City and is further described in this TIF Plan.
2. Relocation - Relocation services, to the extent required by law, are available pursuant to *M.S., Chapter 117* and other relevant state and federal laws.
3. Upon approval of a developer's plan relating to the project and completion of the necessary legal requirements, the HRA or City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
4. The HRA or City may perform or provide for some or all necessary acquisition, construction, relocation, demolition, and required utilities and public street work within the District.
5. The City proposes both public and private infrastructure within the District. The proposed improvements to private property within the District will be for a renovation to a retail mall, and there will be continued operation of the Southeast Edina Redevelopment Project Area after the capital improvements within the Southeast Edina Redevelopment Project Area have been completed.

Subsection 2-5. Description of Property in the District and Property to be Acquired

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

The City currently owns parcels to be included in the District and intends to acquire land easements and/or additional property within the District. The HRA and City are authorized to use tax increments to acquire any parcel listed in Appendix C of this TIF Plan.

(AS MODIFIED NOVEMBER 20, 2018)

The HRA or City authorizes the use of tax increments to acquire additional property currently identified as 4100 76th Street West. PID# 31-028-24-41-0010.

Subsection 2-6. Classification of the District

The District is an economic development district as defined in *M.S. 469.174, Subd. 12*, as modified by *M.S., Section 469.176, Subd. 4c(d)*. In order to create an economic development district under general law (*M.S., Section 469.174 Subd. 12*), the HRA or City must find that the District is in the public interest because:

- (1) *it will discourage commerce, industry, or manufacturing from moving their operations to another state or municipality; or*
- (2) *it will result in increased employment in the state; or*
- (3) *it will result in preservation and enhancement of the tax base of the state.*

In addition, *M.S., Section 469.176, Subd. 4c* provides that assistance from an economic development district may not be used to provide assistance to development if more than 15 percent of the buildings and ancillary facilities (determined on a square footage basis), are used for other than certain specified purposes (largely manufacturing, warehousing and distribution facilities).

However, *M.S., Section 469.176, Subd. 4c(d)* provides a limited-time exception to these general law rules. Under this provision (originally enacted in 2010 legislature and extended in 2011 legislature), a City may establish an economic development of any kind, notwithstanding the normal findings required under *M.S., Section 469.174, Subd. 12*, and notwithstanding the limitation on types of assisted development under *M.S., Section 469.176, Subd. 4c*.

To satisfy the requirement of *M.S., Section 469.176, Subd. 4c(d)*, the City finds that:

- (1) *the project will create or retain jobs in this state, including construction jobs and that construction of the project would not have commenced before July 1, 2012, without the City and HRA providing assistance under the provisions of this paragraph;*
- (2) *construction of the project will begin no later than July 1, 2012; and*
- (3) *the request for certification of the district is made no later than June 30, 2012; and*

In meeting the statutory criteria the HRA and City rely on the following facts and findings:

The City's findings in creating the District is pursuant to *M.S. Sections 469.176, Subd. 4c(d)* in order to assist in the renovations to the common areas of Southdale Mall. If construction does not commence on or before July 1, 2012, the proposed facility will need to meet the criteria in *M.S., Section 469.176, Subd. 4c(a)*, and must satisfy the findings required under *M.S., Section 469.174, Subd. 12*.

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 or 273.112 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

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

Pursuant to *M.S., Section 469.175, Subd. 1, and M.S., Section 469.176, Subd. 1*, the duration 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 8 years after receipt of the first increment by the HRA or City. The date of receipt by the City of the first tax increment is expected to be 2014. Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2022, or when the TIF Plan is satisfied. If increment is received in 2013, the term of the District will be 2021. The HRA or City reserves the right to decertify the District prior to the legally required date.

(AS MODIFIED APRIL 5, 2016)

Pursuant to *M.S., Section 469.175, Subd. 1*, and *Section 469.176, Subd. 1*, the duration of the District must be indicated within the Tax Increment Financing Plan. Pursuant to *M.S., Section 469.176, Subd. 1b*, the duration of the District will be 8 years after receipt of the first increment by the HRA or City. The date of receipt by the City of the first tax increment was August 2013. Thus, it is estimated that the District, including any modification to the Tax Increment Financing Plan for subsequent phases or other changes, would terminate after December 31, 2021, or when the Tax Increment Financing Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

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

Pursuant to *M.S., Section 469.174, Subd. 7* and *M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2011 for taxes payable 2012.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2014) 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 2012, assuming the request for certification is made on or before June 30, 2012. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4* and *M.S., Section 469.177, Subd. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Southeast Edina Redevelopment Project Area, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The HRA and City request 100 percent of the available increase in tax capacity for repayment of its obligations and current expenditures, beginning in the tax year payable 2014. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Southdale 2 Tax Increment District Parcels in School District No. 273

Project Estimated Tax Capacity upon Completion (PTC)	\$4,714,500
---	--------------------

Original Estimated Net Tax Capacity (ONTC)	\$4,457,873	
Fiscal Disparities Reduction	\$65,592	
Estimated Captured Tax Capacity (CTC)	\$191,035	
Original Local Tax Rate	1.08160	Estimated Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$206,623	
Percent Retained by the HRA and City	100%	

The tax capacity included in this chart is the estimated tax capacity of the District in year 9. The tax capacity of the parcels located in School District 273 in year one is estimated to be \$4,458,033. The fiscal disparities reduction will vary from year to year.

Southdale 2 Tax Increment District Parcels in School District No. 280

Project Estimated Tax Capacity upon Completion (PTC)	\$5,858,175	
Original Estimated Net Tax Capacity (ONTC)	\$4,121,297	
Fiscal Disparities Reduction	\$504,487	
Estimated Captured Tax Capacity (CTC)	\$1,232,391	
Original Local Tax Rate	1.14351	Estimated Pay 2012
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$1,409,251	
Percent Retained by the HRA and City	100%	

The tax capacity included in this chart is the estimated tax capacity of the District in year 9. The tax capacity of the parcels in the District located in School District 280 in year one is estimated to be \$4,887,371. The fiscal disparities reduction will vary from year to year.

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

The City has reviewed the area to be included in the District and has found building permits that were issued in the past 18 months prior to the public hearing. Please see Appendix G for the building permits that were issued.

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

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 an interfund loan. 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 total estimated tax increment revenues for the District are shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$11,702,217
Interest	\$250,000
<u>Land Sale Proceeds/Lease Revenue</u>	<u>\$0</u>
TOTAL	\$11,952,217

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 \$8,374,296. 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.

(AS MODIFIED NOVEMBER 20, 2018)

The District is being modified to increase the total estimated tax increment revenues for the District as shown in the table below:

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$30,620,000
Interest	\$500,000
<u>Land Sale Proceeds/Lease Revenue</u>	<u>\$0</u>
TOTAL	\$31,120,000

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 \$27,542,079. 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.

Subsection 2-10. Uses of Funds

Currently under consideration for the District is a proposal to facilitate renovations to the common areas of Southdale Mall. 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.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$0
Site Improvements/Preparation	\$2,274,296
Other Qualifying Improvements	\$5,000,000
<u>Administrative Costs (up to 10%)</u>	<u>\$1,100,000</u>
PROJECT COST TOTAL	\$8,374,296
<u>Interest</u>	<u>\$3,577,921</u>
PROJECT AND INTEREST COSTS TOTAL	\$11,952,217

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 Appendix D.

(AS MODIFIED NOVEMBER 20, 2018)

The District is being modified in order to increase the estimate of public costs and uses of funds associated with the District as outlined in the following table.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$4,000,000
Site Improvements/Preparation	\$2,274,296
Utilities	\$0
Other Qualifying Improvements	\$5,000,000
Construction of Affordable Housing	\$15,167,783
<u>Administrative Costs (up to 10%)</u>	<u>\$1,100,000</u>
PROJECT COST TOTAL	\$27,542,079
<u>Interest</u>	<u>\$3,577,921</u>
PROJECT AND INTEREST COSTS TOTAL	\$31,120,000

Estimated capital and administrative costs listed above are subject to change among categories by modification of the TIF Plan without hearings and notices as required for approval of the initial TIF Plan, so long as the total capital and administrative costs combined do not exceed the total listed above. Further, the

HRA or City may spend up to 20 percent of the tax increments from the District for activities (described in the table above) located outside the boundaries of the District but within the boundaries of the Project Area (including administrative costs, which are considered to be spend outside the District), subject to all other terms and conditions of this TIF Plan.

(AS MODIFIED APRIL 5, 2016)

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 \$550,000 from the project costs of the District to be used to assist housing that meets the requirements contained in *M.S., Section 469.1763, Subd. 2(d)*.

(AS MODIFIED NOVEMBER 20, 2018)

Pursuant to *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6, section 11 and Sec. 16*, the HRA and City may elect to increase by an additional 25 percentage points (a total of 55 percent) the permitted amount of expenditures for activities located outside the geographic area of the District. The HRA and City intend to pool funds from the project costs of the District to be used to assist housing that meets the requirements contained in *M.S., Section 469.1763, Subd. 2(d)*.

Subsection 2-11. Fiscal Disparities Election

Pursuant to *M.S., Section 469.177, Subd. 3, clause b*, the HRA or City must calculate fiscal disparities using the following method of computation:

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

Subsection 2-12. Business Subsidies

Pursuant to *M.S., Section 116J.993, Subd. 3*, the following forms of financial assistance are not considered a business subsidy:

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

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

Subsection 2-13. County Road Costs

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

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

If the county elects to use increments to improve county roads, it must notify the HRA or City within forty-five days of receipt of this TIF Plan. In the opinion of the HRA and City and consultants, the proposed development outlined in this TIF Plan will have little or no impact upon county roads, therefore the TIF Plan was not forwarded to the county 45 days prior to the public hearing. The HRA and City are aware that the county could claim that tax increment should be used for county roads, even after the public hearing.

Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

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

IMPACT ON TAX BASE FOR PARCELS LOCATED IN SCHOOL DISTRICT NO. 273

	Estimated 2011/Pay 2012 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,253,423,199	191,035	0.0152%
City of Edina	96,048,515	191,035	0.1989%
Edina ISD No. 273	81,542,007	191,035	0.2343%

IMPACT ON TAX RATES

	Estimated Pay 2012 Extension Rates	Percent of Total	CTC	Potential Taxes
Hennepin County	0.487770	45.10%	191,035	93,181
City of Edina	0.259080	23.95%	191,035	49,493
Edina ISD No. 273	0.224280	20.74%	191,035	42,845
Other	<u>0.110470</u>	<u>10.21%</u>	<u>191,035</u>	<u>21,104</u>
Total	1.081600	100.00%		206,623

IMPACT ON TAX BASE FOR PARCELS LOCATED IN SCHOOL DISTRICT NO. 280

	Estimated 2011/Pay 2012 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,253,423,199	1,232,391	0.0983%
City of Edina	96,048,515	1,232,391	1.2831%
Richfield ISD No. 280	29,902,478	1,232,391	4.1214%

IMPACT ON TAX RATES

	Estimated Pay 2012 Extension Rates	Percent of Total	CTC	Potential Taxes
Hennepin County	0.487770	42.66%	1,232,391	601,123
City of Edina	0.259080	22.66%	1,232,391	319,288
Richfield ISD No. 280	0.282900	24.74%	1,232,391	348,643
Other	<u>0.113760</u>	<u>9.95%</u>	<u>1,232,391</u>	<u>140,197</u>
Total	1.143510	100.00%		1,409,251

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the estimated Pay 2012 rate. The total net capacity for the entities listed above are based on estimated Pay 2012 figures. The District will be certified under the actual Pay 2012 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 that will be generated over the life of the District is \$11,702,217;
- (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. The Edina Police Department does track all calls for service including property-type calls and crimes. With increased traffic at Southdale Center mall, police calls for service will be increased. However, the proposed mall renovations include changes to common areas designed, in part, to reduce security concerns and police calls, such as the relocation of the transit facility to mall property outside of the mall itself. In addition, proposed housing developments will generate increased police calls. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. Several of the existing buildings, proposed to be replaced or renovated, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and lack of sprinkling.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area, and is expected to enhance the flow of public transit vehicles in and around the Southdale area. The current infrastructure for

sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Potential housing development will generate in excess of \$180,000 in sewer and water access charges. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The developer will negotiate maintenance of the proposed transit hub with the Metropolitan Council.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to Edina ISD No. 273 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 \$293,548;
- (4) Estimated amount of tax increment attributable to Richfield ISD No. 280 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 \$2,544,966;
- (5) 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 \$5,026,701;
- (6) 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.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

(AS MODIFIED APRIL 5, 2016)

There are no additional fiscal impacts associated with the Modification of this TIF Plan. A copy of the proposed TIF Plan Modification was furnished to the county and school district for comment. Edina Public Schools has requested additional information regarding the proposed development for the 66 West TIF District. The City Manager has responded and provided additional information.

(AS MODIFIED NOVEMBER 20, 2018)

There are no additional fiscal impacts associated with the Modification of this TIF Plan. Separate fiscal impact estimates will be provided within the TIF Plan under consideration for any district created under the authority of *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6, Sec. 11 and 16.* A copy of the proposed TIF Plan Modification was furnished to the county and school district for comment.

Subsection 2-15. Supporting Documentation

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

- Greater Southdale Area Land Use and Transportation Study, December 2005
- Edina Comprehensive Plan Update 2008
- Developer correspondence and Summary of Renovation Costs, February 2011

Subsection 2-16. Definition of Tax Increment Revenues

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

1. Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under *M.S., Section 469.177*;
2. The proceeds from the sale or lease of property, tangible or intangible, to the extent the property was purchased by the Authority with tax increments;
3. Principal and interest received on loans or other advances made by the Authority with tax increments;
4. Interest or other investment earnings on or from tax increments;
5. Repayments or return of tax increments made to the Authority under agreements for districts for which the request for certification was made after August 1, 1993; and
6. The market value homestead credit paid to the Authority under *M.S., Section 273.1384*.

Subsection 2-17. Modifications to the District

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

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

shall be approved upon the notice and after the discussion, public hearing and findings required for approval of the original TIF Plan. If the District qualifies for certification only under *M.S. Section 469.176, Subd. 4c(d)*, then the District boundaries may not be enlarged after July 1, 2012.

Pursuant to *M.S., Section 469.175 Subd. 4(f)*, the geographic area of the District may be reduced following the date of certification of the original net tax capacity by the county auditor, but shall not be enlarged after five years following the date of certification of the original net tax capacity by the county auditor. The requirements of this paragraph do not apply if (1) the only modification is elimination of parcel(s) from the District and (2) (A) the current net tax capacity of the parcel(s) eliminated from the District equals or exceeds the net tax capacity of those parcel(s) in the District's original net tax capacity

or (B) the HRA agrees that, notwithstanding *M.S., Section 469.177, Subd. 1*, the original net tax capacity will be reduced by no more than the current net tax capacity of the parcel(s) eliminated from the District.

The HRA or City must notify the County Auditor of any modification to the District. Modifications to the District in the form of a budget modification or an expansion of the boundaries will be recorded in the TIF Plan.

Subsection 2-18. Administrative Expenses

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

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

For districts for which the request for certification were made before August 1, 1979, or after June 30, 1982, and before August 1, 2001, administrative expenses also include amounts paid for services provided by bond counsel, fiscal consultants, and planning or economic development consultants. Pursuant to *M.S., Section 469.176, Subd. 3*, tax increment may be used to pay any **authorized and documented** administrative expenses for the District up to but not to exceed 10 percent of the total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined by *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

For districts for which certification was requested after July 31, 2001, no tax increment may be used to pay any administrative expenses for District costs which exceed ten percent of total estimated tax increment expenditures authorized by the TIF Plan or the total tax increments, as defined in *M.S., Section 469.174, Subd. 25, clause (1)*, from the District, whichever is less.

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

Pursuant to *M.S., Section 469.177, Subd. 11*, the County Treasurer shall deduct an amount (currently .36 percent) of any increment distributed to the HRA or City and the County Treasurer shall pay the amount deducted to the State Commissioner of Management and Budget for deposit in the state general fund to be appropriated to the State Auditor for the cost of financial reporting of tax increment financing information and the cost of examining and auditing authorities' use of tax increment financing. This amount may be adjusted annually by the Commissioner of Revenue.

Subsection 2-19. Limitation of Increment

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

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

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

The HRA or City or a property owner must improve parcels within the District by approximately April 2016 and report such actions to the County Auditor.

Subsection 2-20. Use of Tax Increment

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

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

or pursuant to *M.S., Chapter 462C. M.S., Sections 469.152 through 469.165*, and/or *M.S., Sections 469.178*; and

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

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

Tax increments generated in the District will be paid by Hennepin County to the HRA for the Tax Increment Fund of said District. The HRA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. If the request for certification of the District was made after June 30, 2009 and no later than June 30, 2012 and construction commenced in the District by July 1, 2012, tax increments from the District may also be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities. Remaining increment funds will be used for HRA or City administration (up to 10 percent) and for the costs of public improvement activities outside the District.

Subsection 2-21. Excess Increments

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

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

The HRA or City must spend or return the excess increments under paragraph (c) within nine months after the end of the year. In addition, the HRA or City may, subject to the limitations set forth herein, choose to modify the TIF Plan in order to finance additional public costs in the Southeast Edina Redevelopment Project Area or the District.

Subsection 2-22. Requirements for Agreements with the Developer

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

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

Subsection 2-23. Assessment Agreements

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

Subsection 2-24. Administration of the District

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

Subsection 2-25. Annual Disclosure Requirements

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

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

Subsection 2-26. Reasonable Expectations

As required by the TIF Act, in establishing the District, the determination has been made that the anticipated development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future 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 the District permitted by the TIF Plan. In making said determination, reliance has been placed upon written representation made by the developer to such effects and upon HRA and City staff awareness of the feasibility of developing the project site(s) within the District. A comparative analysis of estimated market values both with and without establishment of the District and the use of tax increments has been performed as described above. Such analysis is included with the cashflow in Appendix D, 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 District and the use of tax increments.

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

1. General Limitations. All revenue derived from tax increment shall be used in accordance with the TIF Plan. The revenues shall be used to finance, or otherwise pay public redevelopment costs of the the Southeast Edina Redevelopment Project Area pursuant to *M.S., Sections 469.001 to 469.047*. Tax increments may not be used to circumvent existing levy limit law. No tax increment may be used for the acquisition, construction, renovation, operation, or maintenance of a building to be used primarily

and regularly for conducting the business of a municipality, county, school district, or any other local unit of government or the state or federal government. This provision does not prohibit the use of revenues derived from tax increments for the construction or renovation of a parking structure.

2. Pooling Limitations. At least 80 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 20 percent of said tax increments may be expended, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.
3. Five Year Limitation on Commitment of Tax Increments. Tax increments derived from the District shall be deemed to have satisfied the 80 percent test set forth in paragraph (2) above only if the five year rule set forth in *M.S., Section 469.1763, Subd. 3*, has been satisfied; and beginning with the sixth year following certification of the District, 80 percent of said tax increments that remain after expenditures permitted under said five year rule must be used only to pay previously committed expenditures or credit enhanced bonds as more fully set forth in *M.S., Section 469.1763, Subd. 5*.

(AS MODIFIED APRIL 5, 2016)

Pursuant to *M.S., Statute 469.1763, Subd. 2*, 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 for qualifying housing purposes. Therefore, the pooling limitations with respect to this District are increased to not more than 30 percent of tax increments from the District.

(AS MODIFIED NOVEMBER 20, 2018)

Pooling Limitations. Pursuant to *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6, Sec. 11 and Sec. 16*, at least 45 percent of tax increments from the District must be expended on activities in the District or to pay bonds, to the extent that the proceeds of the bonds were used to finance activities within said district or to pay, or secure payment of, debt service on credit enhanced bonds. Not more than 55 percent of said tax increments may be expended for qualified housing projects as defined in *Minnesota Session Laws 2014, Chapter 308, HF No. 3167, Article 6, Sec. 8* and *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6, Sec. 11*, through a development fund or otherwise, on activities outside of the District except to pay, or secure payment of, debt service on credit enhanced bonds. For purposes of applying this restriction, all administrative expenses must be treated as if they were solely for activities outside of the District.

Subsection 2-28. Summary

The Edina Housing and Redevelopment Authority is establishing the District to preserve and enhance the tax base, redevelop substandard areas, and provide employment opportunities in the City. The TIF Plan for the District was prepared by Ehlers & Associates, Inc., 3060 Centre Pointe Drive, Roseville, Minnesota 55113, telephone (651) 697-8500.

Appendix A

Project Description

The City and HRA will be facilitating improvements to the 1.2 million square foot Southdale Center mall which was originally constructed in the 1960's. The redeveloper plans to renovate the interior common area and make exterior improvements to the shopping center. The renovations will consist of new entrance structures, flooring, lighting, signage, restrooms, parking deck lighting, and exterior seating, columns and interior wall treatments.

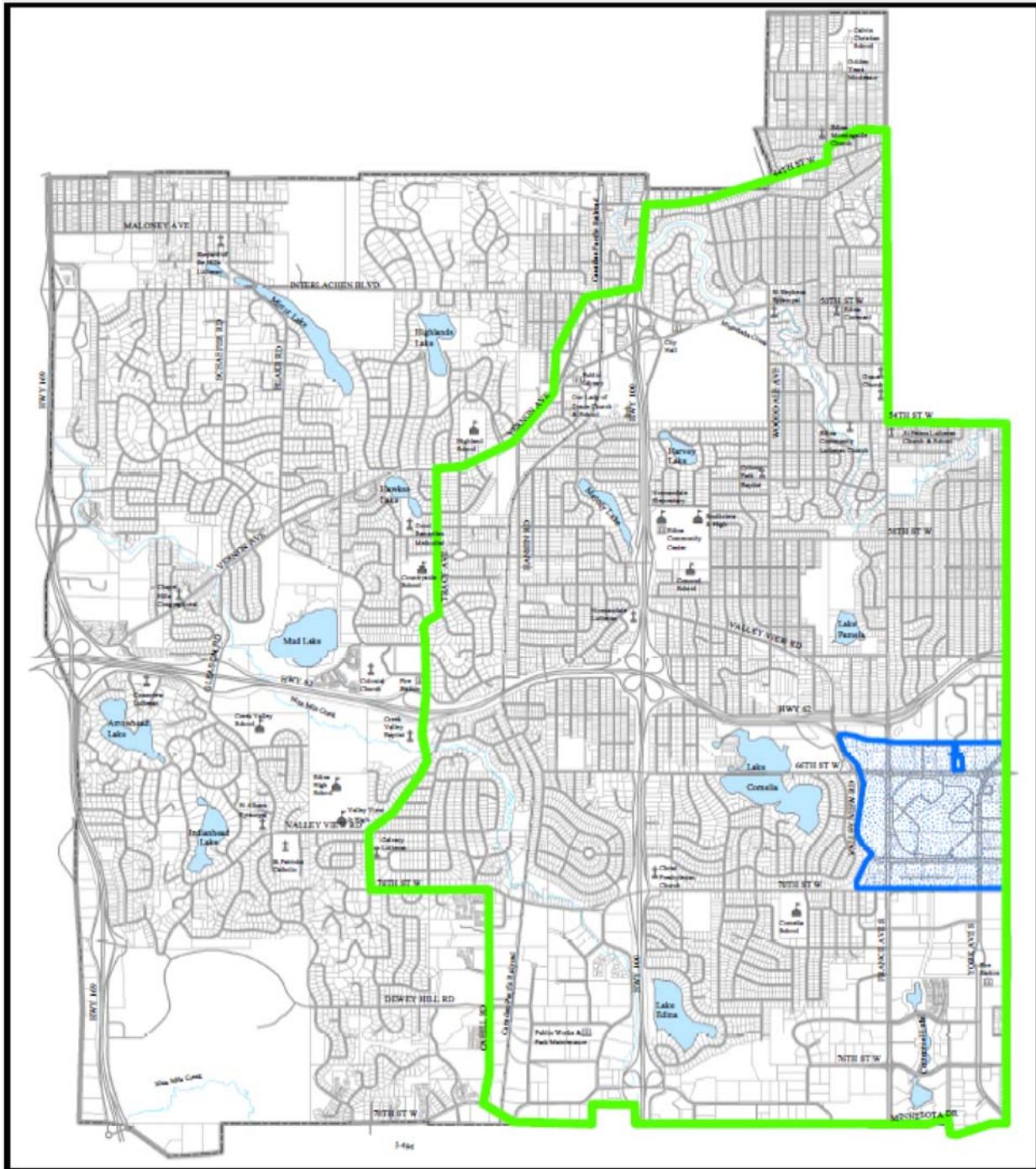
Improvements are planned to be substantially completed by December 31, 2012. The City and HRA intend to finance a portion of the total renovation costs.

The HRA will be loaning \$5 million to Southdale Center, \$250,000 of which is forgiven if a transit station is constructed. Tax increments collected from the Southdale Center parcels will be used to write down principal of the loan and adjacent development will pay for interest on the loan and for the transit station improvements.

Appendix B



Maps of the Southeast Edina Redevelopment Project Area and the District

(AS MODIFIED APRIL 5, 2016)



Southeast Edina Redevelopment Project Area and Southdale 2 TIF Districts

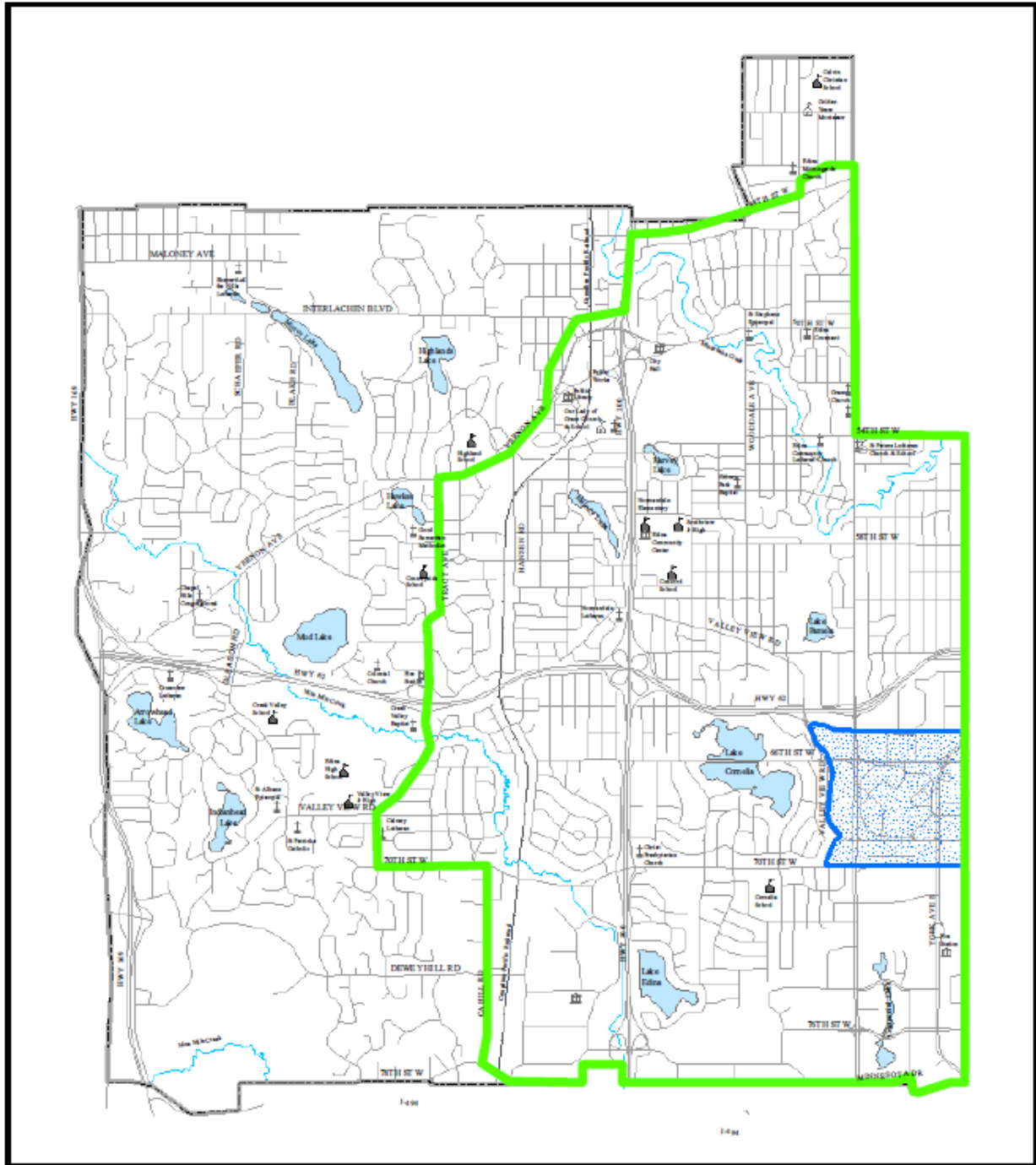


-  Project Area
-  Southdale 2 TIF District





Engineering Dept.
February, 2016

(AS ORIGINALLY ADOPTED)



Southeast Edina Redevelopment Project Area and Southdale 2 TIF District



-  Project Area
-  Southdale 2 TIF District



Engineering Dept.
March, 2012

Appendix C

Description of Property to be Included in the District

The District encompasses all property and adjacent rights-of-way and abutting roadways identified by the parcel(s) listed below.

(AS MODIFIED APRIL 5, 2016)

Parcel number 29-028-24-24-0030 is being removed from the District to be included in the 66 West Tax Increment Financing District.

Appendix D

Estimated Cash Flow for the District

Southdale Mall Renovation and Mixed Use Development

City of Edina

Southdale Mall Renovation and Adjacent Development

School District 273

ASSUMPTIONS AND RATES

DistrictType: Economic Development
District Name/Number:
County District #:
First Year Construction or Inflation on Value: 2012
Existing District - Specify No. Years Remaining:
 Inflation Rate - Every Year: 0.00%
 Interest Rate: 5.50%
 Present Value Date: 1-Feb-12
 First Period Ending: 1-Aug-12
 Tax Year District was Certified: Pay 2012
 Cashflow Assumes First Tax Increment For Development: 2014
 Years of Tax Increment: 9
 Assumes Last Year of Tax Increment: 2022
 Fiscal Disparities Election [Outside (A), Inside (B), or NA]: Inside(B)
Incremental
 Fiscal Disparities Contribution Ratio: 34.7413% Pay 2012 Prelim.
 Fiscal Disparities Metro-Wide Tax Rate: 141.9450% Pay 2012 Prelim.

Maximum/Frozen Local Tax Rate: 108.160% SD 273
 Current Local Tax Rate: (Use lesser of Current or Max.) 108.160% Pay 2012 Prelim.
 State-wide Tax Rate (Comm./Ind. only used for total taxes) 52.0000% Pay 2012 Prelim.
 Market Value Tax Rate (Used for total taxes) 0.18532% Pay 2012 Prelim.

PROPERTY TAX CLASSES AND CLASS 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)		0.75%
Non-Homestead Residential (Non-H Res.)		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)

S/D	PID	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
273	29-028-24-33-0001	ADDRESS UNASSIGNED	0	0	0	100%	0	Pay 2012	Exempt	-	Exempt	-	Mall
273	29-028-24-33-0004	3500 69TH ST W	571,800	0	571,800	100%	571,800	Pay 2012	C/I	11,436	C/I	11,436	Mall
273	29-028-24-33-0014	ADDRESS UNASSIGNED	14,995,000	17,908,800	32,903,800	100%	32,903,800	Pay 2012	C/I	658,076	C/I	658,076	Mall
273	29-028-24-33-0021	3503 GALLERIA	2,273,100	5,315,000	7,588,100	100%	7,588,100	Pay 2012	C/I	151,762	C/I	151,762	
273	29-028-24-33-0022	3460 GALLERIA	14,624,600	42,085,400	56,710,000	100%	56,710,000	Pay 2012	C/I Pref.	1,133,450	C/I Pref.	1,133,450	
273	29-028-24-33-0023	3501 GALLERIA	3,287,100	2,112,900	5,400,000	100%	5,400,000	Pay 2012	C/I	108,000	C/I	108,000	
273	29-028-24-34-0002	6825 YORK AVE S	2,851,200	100,900	2,952,100	100%	2,952,100	Pay 2012	C/I Pref.	58,292	C/I Pref.	58,292	
273	29-028-24-34-0007	3100 70TH ST W	1,382,700	943,300	2,326,000	100%	2,326,000	Pay 2012	C/I Pref.	45,770	C/I Pref.	45,770	
273	29-028-24-34-0010	6975 YORK AVE S	1,586,200	1,059,400	2,645,600	100%	2,645,600	Pay 2012	C/I Pref.	52,162	C/I Pref.	52,162	
273	29-028-24-34-0019	ADDRESS UNASSIGNED	2,852,400	0	2,852,400	100%	2,852,400	Pay 2012	C/I	57,048	Rental	35,655	Mall
273	29-028-24-34-0020	6775 YORK AVE S	1,162,700	0	1,162,700	100%	1,162,700	Pay 2012	C/I	23,254	C/I	23,254	
273	29-028-24-34-0021	6803 YORK AVE S	2,932,400	3,024,800	5,957,200	100%	5,957,200	Pay 2012	C/I	119,144	C/I	119,144	
273	29-028-24-34-0022	6805 YORK AVE S	725,200	247,800	973,000	100%	973,000	Pay 2012	C/I	19,460	C/I	19,460	
273	29-028-24-34-0024	3210 GALLERIA	2,532,200	2,117,800	4,650,000	100%	4,650,000	Pay 2012	C/I Pref.	92,250	C/I Pref.	92,250	
273	29-028-24-34-0025	6905 YORK AVE S	2,084,400	0	2,084,400	100%	2,084,400	Pay 2012	C/I Pref.	40,938	C/I Pref.	40,938	
273	29-028-24-34-0026	3121 69TH ST W	1,482,100	10,202,900	11,685,000	100%	11,685,000	Pay 2012	Rental	146,063	Rental	146,063	
273	29-028-24-34-0033	3209 Galleria	617,400	0	617,400	100%	617,400	Pay 2012	Non-H Res.	7,718	Non-H Res.	7,718	
273	29-028-24-34-0034	3209 Galleria	1,179,000	0	1,179,000	100%	1,179,000	Pay 2012	Non-H Res.	14,738	Non-H Res.	14,738	
273	29-028-24-34-0035	3209 Galleria	620,000	0	620,000	100%	620,000	Pay 2012	Non-H Res.	7,750	Non-H Res.	7,750	
273	29-028-24-34-0036	3209 Galleria	779,000	0	779,000	100%	779,000	Pay 2012	Non-H Res.	9,738	Non-H Res.	9,738	
273	29-028-24-34-0037	3209 Galleria	591,000	0	591,000	100%	591,000	Pay 2012	Non-H Res.	7,388	Non-H Res.	7,388	
273	29-028-24-34-0038	3209 Galleria	589,000	0	589,000	100%	589,000	Pay 2012	Non-H Res.	7,363	Non-H Res.	7,363	
273	29-028-24-34-0039	3209 Galleria	417,000	0	417,000	100%	417,000	Pay 2012	Non-H Res.	5,213	Non-H Res.	5,213	
273	29-028-24-34-0040	3209 Galleria	1,012,000	0	1,012,000	100%	1,012,000	Pay 2012	Non-H Res.	12,650	Non-H Res.	12,650	
273	29-028-24-34-0041	3209 Galleria	671,100	0	671,100	100%	671,100	Pay 2012	Non-H Res.	8,389	Non-H Res.	8,389	
273	29-028-24-34-0042	3209 Galleria	1,179,000	0	1,179,000	100%	1,179,000	Pay 2012	Non-H Res.	14,738	Non-H Res.	14,738	
273	29-028-24-34-0043	3209 Galleria	626,000	0	626,000	100%	626,000	Pay 2012	Non-H Res.	7,825	Non-H Res.	7,825	
273	29-028-24-34-0044	3209 Galleria	639,000	0	639,000	100%	639,000	Pay 2012	Hmstd. Res.	6,738	Hmstd. Res.	6,738	
273	29-028-24-34-0045	3209 Galleria	567,000	0	567,000	100%	567,000	Pay 2012	Non-H Res.	7,088	Non-H Res.	7,088	
273	29-028-24-34-0046	3209 Galleria	565,500	0	565,500	100%	565,500	Pay 2012	Hmstd. Res.	5,819	Hmstd. Res.	5,819	
273	29-028-24-34-0047	3209 Galleria	396,100	0	396,100	100%	396,100	Pay 2012	Hmstd. Res.	3,961	Hmstd. Res.	3,961	
273	29-028-24-34-0048	3209 Galleria	1,179,000	0	1,179,000	100%	1,179,000	Pay 2012	Non-H Res.	14,738	Non-H Res.	14,738	
273	29-028-24-34-0049	3209 Galleria	1,005,400	0	1,005,400	100%	1,005,400	Pay 2012	Hmstd. Res.	11,318	Hmstd. Res.	11,318	
273	29-028-24-34-0050	3209 Galleria	1,179,000	0	1,179,000	100%	1,179,000	Pay 2012	Hmstd. Res.	13,488	Hmstd. Res.	13,488	
273	29-028-24-34-0051	3209 Galleria	680,100	0	680,100	100%	680,100	Pay 2012	Hmstd. Res.	7,251	Hmstd. Res.	7,251	
273	29-028-24-34-0052	3209 Galleria	768,000	0	768,000	100%	768,000	Pay 2012	Non-H Res.	9,600	Non-H Res.	9,600	
273	29-028-24-34-0053	3209 Galleria	591,000	0	591,000	100%	591,000	Pay 2012	Non-H Res.	7,388	Non-H Res.	7,388	
273	29-028-24-34-0054	3209 Galleria	560,000	0	560,000	100%	560,000	Pay 2012	Non-H Res.	7,000	Non-H Res.	7,000	
273	29-028-24-34-0055	3209 Galleria	389,400	0	389,400	100%	389,400	Pay 2012	Non-H Res.	4,868	Non-H Res.	4,868	
273	29-028-24-34-0056	3209 Galleria	1,219,000	0	1,219,000	100%	1,219,000	Pay 2012	Non-H Res.	15,238	Non-H Res.	15,238	
273	29-028-24-34-0057	3209 Galleria	916,200	0	916,200	100%	916,200	Pay 2012	Hmstd. Res.	10,203	Hmstd. Res.	10,203	
273	29-028-24-34-0058	3209 Galleria	1,226,900	0	1,226,900	100%	1,226,900	Pay 2012	Hmstd. Res.	14,086	Hmstd. Res.	14,086	
273	29-028-24-34-0059	3209 Galleria	668,000	0	668,000	100%	668,000	Pay 2012	Hmstd. Res.	7,100	Hmstd. Res.	7,100	
273	29-028-24-34-0060	3209 Galleria	754,000	0	754,000	100%	754,000	Pay 2012	Hmstd. Res.	8,175	Hmstd. Res.	8,175	
273	29-028-24-34-0061	3209 Galleria	591,000	0	591,000	100%	591,000	Pay 2012	Non-H Res.	7,388	Non-H Res.	7,388	
273	29-028-24-34-0062	3209 Galleria	478,300	0	478,300	100%	478,300	Pay 2012	Non-H Res.	5,979	Non-H Res.	5,979	
273	29-028-24-34-0063	3209 Galleria	323,000	0	323,000	100%	323,000	Pay 2012	Non-H Res.	4,038	Non-H Res.	4,038	
273	29-028-24-34-0064	3209 Galleria	1,268,300	0	1,268,300	100%	1,268,300	Pay 2012	Hmstd. Res.	14,604	Hmstd. Res.	14,604	
273	29-028-24-34-0065	3209 Galleria	1,047,000	0	1,047,000	100%	1,047,000	Pay 2012	Non-H Res.	13,088	Non-H Res.	13,088	
273	29-028-24-34-0066	3209 Galleria	1,225,000	0	1,225,000	100%	1,225,000	Pay 2012	Non-H Res.	15,313	Non-H Res.	15,313	

BASE VALUE INFORMATION (Original Tax Capacity)

273	29-028-24-34-0067	3209 Galleria	677,100	677,100	100%	677,100	Pay 2012	Hmstd. Res.	7,214	Hmstd. Res.	7,214	
273	29-028-24-34-0068	3209 Galleria	746,000	746,000	100%	746,000	Pay 2012	Non-H Res.	9,325	Non-H Res.	9,325	
273	29-028-24-34-0069	3209 Galleria	615,000	615,000	100%	615,000	Pay 2012	Non-H Res.	7,688	Non-H Res.	7,688	
273	29-028-24-34-0070	3209 Galleria	534,500	534,500	100%	534,500	Pay 2012	Non-H Res.	6,681	Non-H Res.	6,681	
273	29-028-24-34-0071	3209 Galleria	380,200	380,200	100%	380,200	Pay 2012	Non-H Res.	4,753	Non-H Res.	4,753	
273	29-028-24-34-0072	3209 Galleria	1,392,100	1,392,100	100%	1,392,100	Pay 2012	Non-H Res.	17,401	Non-H Res.	17,401	
273	29-028-24-34-0073	3209 Galleria	1,005,000	1,005,000	100%	1,005,000	Pay 2012	Non-H Res.	12,563	Non-H Res.	12,563	
273	29-028-24-34-0074	3209 Galleria	1,179,000	1,179,000	100%	1,179,000	Pay 2012	Non-H Res.	14,738	Non-H Res.	14,738	
273	29-028-24-34-0075	3209 Galleria	773,400	773,400	100%	773,400	Pay 2012	Non-H Res.	9,668	Non-H Res.	9,668	
273	29-028-24-34-0076	3209 Galleria	776,000	776,000	100%	776,000	Pay 2012	Non-H Res.	9,700	Non-H Res.	9,700	
273	29-028-24-34-0077	3209 Galleria	503,000	503,000	100%	503,000	Pay 2012	Non-H Res.	6,288	Non-H Res.	6,288	
273	29-028-24-34-0078	3209 Galleria	565,000	565,000	100%	565,000	Pay 2012	Non-H Res.	7,063	Non-H Res.	7,063	
273	29-028-24-34-0079	3209 Galleria	380,000	380,000	100%	380,000	Pay 2012	Non-H Res.	4,750	Non-H Res.	4,750	
273	29-028-24-34-0080	3209 Galleria	1,270,800	1,270,800	100%	1,270,800	Pay 2012	Hmstd. Res.	14,635	Hmstd. Res.	14,635	
273	29-028-24-34-0081	3209 Galleria	1,005,000	1,005,000	100%	1,005,000	Pay 2012	Non-H Res.	12,563	Non-H Res.	12,563	
273	29-028-24-34-0082	3209 Galleria	1,307,700	1,307,700	100%	1,307,700	Pay 2012	Hmstd. Res.	15,096	Hmstd. Res.	15,096	
273	29-028-24-34-0083	3209 Galleria	669,600	669,600	100%	669,600	Pay 2012	Non-H Res.	8,370	Non-H Res.	8,370	
273	29-028-24-34-0084	3209 Galleria	791,500	791,500	100%	791,500	Pay 2012	Non-H Res.	9,894	Non-H Res.	9,894	
273	29-028-24-34-0085	3209 Galleria	648,400	648,400	100%	648,400	Pay 2012	Hmstd. Res.	6,855	Hmstd. Res.	6,855	
273	29-028-24-34-0086	3209 Galleria	543,500	543,500	100%	543,500	Pay 2012	Non-H Res.	6,794	Non-H Res.	6,794	
273	29-028-24-34-0087	3209 Galleria	380,000	380,000	100%	380,000	Pay 2012	Non-H Res.	4,750	Non-H Res.	4,750	
273	29-028-24-34-0088	3209 Galleria	1,303,900	1,303,900	100%	1,303,900	Pay 2012	Hmstd. Res.	15,049	Hmstd. Res.	15,049	
273	29-028-24-34-0089	3209 Galleria	1,005,000	1,005,000	100%	1,005,000	Pay 2012	Non-H Res.	12,563	Non-H Res.	12,563	
273	29-028-24-34-0090	3209 Galleria	1,260,000	1,260,000	100%	1,260,000	Pay 2012	Non-H Res.	15,750	Non-H Res.	15,750	
273	29-028-24-34-0091	3209 Galleria	713,400	713,400	100%	713,400	Pay 2012	Hmstd. Res.	7,668	Hmstd. Res.	7,668	
273	29-028-24-34-0092	3209 Galleria	977,300	977,300	100%	977,300	Pay 2012	Non-H Res.	12,216	Non-H Res.	12,216	
273	29-028-24-34-0093	3209 Galleria	591,000	591,000	100%	591,000	Pay 2012	Non-H Res.	7,388	Non-H Res.	7,388	
273	29-028-24-34-0094	3209 Galleria	522,900	522,900	100%	522,900	Pay 2012	Non-H Res.	6,536	Non-H Res.	6,536	
273	29-028-24-34-0095	3209 Galleria	380,000	380,000	100%	380,000	Pay 2012	Non-H Res.	4,750	Non-H Res.	4,750	
273	29-028-24-34-0096	3209 Galleria	1,337,000	1,337,000	100%	1,337,000	Pay 2012	Hmstd. Res.	15,463	Hmstd. Res.	15,463	
273	29-028-24-34-0097	3209 Galleria	999,900	999,900	100%	999,900	Pay 2012	Non-H Res.	12,499	Non-H Res.	12,499	
273	29-028-24-34-0098	3209 Galleria	1,989,300	1,989,300	100%	1,989,300	Pay 2012	Hmstd. Res.	23,616	Hmstd. Res.	23,616	
273	29-028-24-34-0099	3209 Galleria	765,800	765,800	100%	765,800	Pay 2012	Non-H Res.	9,573	Non-H Res.	9,573	
273	29-028-24-34-0100	3209 Galleria	1,192,800	1,192,800	100%	1,192,800	Pay 2012	Hmstd. Res.	13,660	Hmstd. Res.	13,660	
273	29-028-24-34-0101	3209 Galleria	1,052,000	1,052,000	100%	1,052,000	Pay 2012	Non-H Res.	13,150	Non-H Res.	13,150	
273	29-028-24-34-0102	3209 Galleria	1,325,400	1,325,400	100%	1,325,400	Pay 2012	Hmstd. Res.	15,318	Hmstd. Res.	15,318	
273	29-028-24-34-0103	3209 Galleria	1,288,300	1,288,300	100%	1,288,300	Pay 2012	Non-H Res.	16,104	Non-H Res.	16,104	
273	29-028-24-34-0104	3209 Galleria	1,900,000	1,900,000	100%	1,900,000	Pay 2012	Non-H Res.	23,750	Non-H Res.	23,750	
273	29-028-24-34-0105	3209 Galleria	729,000	729,000	100%	729,000	Pay 2012	Non-H Res.	9,113	Non-H Res.	9,113	
273	29-028-24-34-0106	3209 Galleria	931,000	931,000	100%	931,000	Pay 2012	Non-H Res.	11,638	Non-H Res.	11,638	
273	29-028-24-34-0107	3209 Galleria	1,093,000	1,093,000	100%	1,093,000	Pay 2012	Non-H Res.	13,663	Non-H Res.	13,663	
273	29-028-24-34-0108	3209 Galleria	1,660,100	1,660,100	100%	1,660,100	Pay 2012	Non-H Res.	20,751	Non-H Res.	20,751	
273	29-028-24-34-0109	3209 Galleria	893,000	893,000	100%	893,000	Pay 2012	Non-H Res.	11,163	Non-H Res.	11,163	
273	29-028-24-34-0110	3209 Galleria	2,322,400	2,322,400	100%	2,322,400	Pay 2012	Non-H Res.	29,030	Non-H Res.	29,030	
273	29-028-24-34-0111	3209 Galleria	647,000	647,000	100%	647,000	Pay 2012	Non-H Res.	8,088	Non-H Res.	8,088	
273	29-028-24-34-0112	3209 Galleria	1,100,600	1,100,600	100%	1,100,600	Pay 2012	Non-H Res.	13,758	Non-H Res.	13,758	
273	29-028-24-34-0113	3209 Galleria	1,214,000	1,214,000	100%	1,214,000	Pay 2012	Non-H Res.	15,175	Non-H Res.	15,175	
273	29-028-24-34-0114	3209 Galleria	1,203,200	1,203,200	100%	1,203,200	Pay 2012	Non-H Res.	15,040	Non-H Res.	15,040	
273	30-028-24-41-0001	6600 France Avenue South	18,914,100	15,428,500	34,342,600	100%	34,342,600	Pay 2012	C/I Pref.	686,102	C/I Pref.	686,102
273	30-028-24-44-0001	6996 France Avenue South	360,000	40,000	400,000	100%	400,000	Pay 2012	C/I Pref.	7,250	C/I Pref.	7,250
273	30-028-24-44-0003	3950 70TH ST W	1,021,100	622,000	1,643,100	100%	1,643,100	Pay 2012	C/I Pref.	32,112	C/I Pref.	32,112
273	30-028-24-44-0004	4040 70TH ST W	1,081,000	1,376,900	2,457,900	100%	2,457,900	Pay 2012	C/I Pref.	48,408	C/I Pref.	48,408
273	30-028-24-44-0005	6950 FRANCE AVE S	789,700	1,208,300	1,998,000	100%	1,998,000	Pay 2012	C/I Pref.	39,210	C/I Pref.	39,210
273	30-028-24-44-0006	3910 70th Street West	139,900	213,100	353,000	100%	353,000	Pay 2012	C/I Pref.	6,310	C/I Pref.	6,310
273	30-028-24-44-0057	6900 FRANCE AVE S	498,100	239,600	737,700	100%	737,700	Pay 2012	C/I Pref.	14,004	C/I Pref.	14,004
273	30-028-24-44-0058	3905 69TH ST W	847,200	392,600	1,239,800	100%	1,239,800	Pay 2012	C/I Pref.	24,046	C/I Pref.	24,046
273	30-028-24-44-0059	3939 69TH ST W	912,500	912,500	912,500	100%	912,500	Pay 2012	C/I Pref.	17,500	C/I Pref.	17,500
				0	0	100%	0	Pay 2012	-	-	-	
			152,963,500	104,640,000	257,603,500		257,603,500		4,479,266		4,457,873	

Note:

1. Base values are based upon review of County website on 3/7/12 of values assessed 1/2/11 for taxes payable 2012.
2. Parcels are located within School district 273 and Watershed District 1.

Southdale Mall Renovation and Mixed Use Development

City of Edina
Southdale Mall Renovation and Adjacent Development

School District 273

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 2012	Percentage Completed 2013	Percentage Completed 2014	Percentage Completed 2015	First Year Full Taxes Payable
Mall	Retail	35,000,000	35,000,000	1	35,000,000	C/I	700,000		97%	97%	97%	100%	2017
Apartments	Apartments	34,900,000	34,900,000	1	34,900,000	Rental	436,250		70%	70%	75%	100%	2017
Office	Office	36,000,000	36,000,000	1	36,000,000	C/I Pref.	719,250		96%	100%	100%	100%	2015
Retail	Retail	102,500,000	102,500,000	1	102,500,000	C/I Pref.	2,049,250		96%	96%	100%	100%	2016
Condos/Apts.	Condominiums	890,000	890,000	82	72,980,000	Hmstd. Res.	809,750		100%	100%	100%	100%	2014
TOTAL					281,380,000		4,714,500						
Subtotal Residential				#VALUE!	107,880,000		1,246,000						
Subtotal Commercial/Ind.				3	173,500,000		3,468,500						

Note:

1. Renovated mall market value based upon tax estimates from mall owner.
2. Other development values based on proposals received by the City of Edina and estimates from City Assessor

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
Retail	700,000	243,189	456,811	494,087	345,195	364,000	64,862	1,268,143
Apartments	436,250	0	436,250	471,848	0	0	64,677	536,525
Office	719,250	249,877	469,373	507,674	354,688	374,010	66,715	1,303,087
Retail	2,049,250	711,936	1,337,314	1,446,439	1,010,558	1,065,610	189,953	3,712,559
Condominiums	809,750	0	809,750	875,826	0	0	135,247	1,011,072
TOTAL	4,714,500	1,205,002	3,509,498	3,795,873	1,710,440	1,803,620	521,453	7,831,387

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.
2. If tax increment is received in 2013 then the district will be one year shorter.



City of Edina
Southdale Mall Renovation and Adjacent Development
 School District 273

Southdale Mall Renovation and Adjacent Development

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual	State Auditor	Admin. at	Semi-Annual	Semi-Annual	PERIOD ENDING Yrs.	Tax Year	Payment Date
							Gross Tax Increment	0.36%	10%	Net Tax Increment	Present Value			
							-	-	-	-	-			08/01/12
							-	-	-	-	-			02/01/13
							-	-	-	-	-			08/01/13
							-	-	-	-	-			02/01/14
100%	4,458,033	(4,457,873)	-	160	108.160%	173	86	(0)	(9)	77	68	0.5	2014	08/01/14
							86	(0)	(9)	77	133	1	2014	02/01/15
100%	4,480,655	(4,457,873)	-	22,782	108.160%	24,641	12,320	(44)	(1,228)	11,048	9,271	1.5	2015	08/01/15
							12,320	(44)	(1,228)	11,048	18,164	2	2015	02/01/16
100%	4,584,438	(4,457,873)	(20,346)	106,218	108.160%	114,886	57,443	(207)	(5,724)	51,512	58,517	2.5	2016	08/01/16
							57,443	(207)	(5,724)	51,512	97,790	3	2016	02/01/17
100%	4,714,500	(4,457,873)	(27,642)	228,985	108.160%	247,670	123,835	(446)	(12,339)	111,050	180,188	3.5	2017	08/01/17
							123,835	(446)	(12,339)	111,050	260,382	4	2017	02/01/18
100%	4,714,500	(4,457,873)	(65,592)	191,034	108.160%	206,623	103,311	(372)	(10,294)	92,645	325,494	4.5	2018	08/01/18
							103,311	(372)	(10,294)	92,645	388,863	5	2018	02/01/19
100%	4,714,500	(4,457,873)	(65,592)	191,034	108.160%	206,623	103,311	(372)	(10,294)	92,645	450,536	5.5	2019	08/01/19
							103,311	(372)	(10,294)	92,645	510,559	6	2019	02/01/20
100%	4,714,500	(4,457,873)	(65,592)	191,034	108.160%	206,623	103,311	(372)	(10,294)	92,645	568,975	6.5	2020	08/01/20
							103,311	(372)	(10,294)	92,645	625,828	7	2020	02/01/21
100%	4,714,500	(4,457,873)	(65,592)	191,034	108.160%	206,623	103,311	(372)	(10,294)	92,645	681,159	7.5	2021	08/01/21
							103,311	(372)	(10,294)	92,645	735,009	8	2021	02/01/22
100%	4,714,500	(4,457,873)	(65,592)	191,034	108.160%	206,623	103,311	(372)	(10,294)	92,645	787,418	8.5	2022	08/01/22
							103,311	(372)	(10,294)	92,645	838,424	9	2022	02/01/23
Total							1,420,483	(5,114)	(141,537)	1,273,832				
Present Value From 02/01/2012							934,948	(3,366)	(93,158)	838,424				
Present Value Rate					5.50%									

Southdale Mall Renovation and Mixed Use Development

City of Edina

Southdale Mall Renovation and Adjacent Development

School District 280

ASSUMPTIONS AND RATES

DistrictType: Economic Development
District Name/Number:
County District #:
First Year Construction or Inflation on Value: 2012
Existing District - Specify No. Years Remaining:
 Inflation Rate - Every Year: 0.00%
 Interest Rate: 5.50%
 Present Value Date: 1-Feb-12
 First Period Ending: 1-Aug-12
 Tax Year District was Certified: Pay 2012
 Cashflow Assumes First Tax Increment For Development: 2014
 Years of Tax Increment: 9
 Assumes Last Year of Tax Increment: 2022
 Fiscal Disparities Election [Outside (A), Inside (B), or NA]: Inside(B)
Incremental
 Fiscal Disparities Contribution Ratio: 34.7413% Pay 2012 Prelim.
 Fiscal Disparities Metro-Wide Tax Rate: 141.9450% Pay 2012 Prelim.

Maximum/Frozen Local Tax Rate:
 Current Local Tax Rate: (Use lesser of Current or Max.)
 State-wide Tax Rate (Comm./Ind. only used for total taxes)
 Market Value Tax Rate (Used for total taxes)

114.351% S/D 280
 114.351% Pay 2012 Prelim.
 52.0000% Pay 2012 Prelim.
 0.15860% Pay 2012 Prelim.

PROPERTY TAX CLASSES AND CLASS 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) 0.75%
 Non-Homestead Residential (Non-H Res.) 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)

S/D	PID	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.
280	29-028-24-23-0001	ADDRESS UNASSIGNED	1,384,800	1,316,200	2,701,000	100%	2,701,000	Pay 2012	C/I Pref.	53,270	C/I Pref.	53,270
280	29-028-24-23-0007	6533 Drew Avenue South	531,900	502,000	1,033,900	100%	1,033,900	Pay 2012	C/I Pref.	19,928	C/I Pref.	19,928
280	29-028-24-23-0008	6525 Drew Avenue S	445,000	120,700	565,700	100%	565,700	Pay 2012	C/I Pref.	10,564	C/I Pref.	10,564
280	29-028-24-23-0009	6517 DREW AVE S	529,500	1,235,500	1,765,000	100%	1,765,000	Pay 2012	C/I Pref.	34,550	C/I Pref.	34,550
280	29-028-24-23-0010	3625 65TH ST W	525,300	2,040,700	2,566,000	100%	2,566,000	Pay 2012	C/I Pref.	50,570	C/I Pref.	50,570
280	29-028-24-23-0011	ADDRESS UNASSIGNED	285,800	0	285,800	100%	285,800	Pay 2012	C/I	5,716	C/I	5,716
280	29-028-24-23-0012	3400 66TH ST W	2,990,400	2,363,600	5,354,000	100%	5,354,000	Pay 2012	C/I Pref.	106,330	C/I Pref.	106,330
280	29-028-24-23-0167	ADDRESS UNASSIGNED	0	0	0	100%	0	Pay 2012	Exempt	-	Exempt	-
280	29-028-24-23-0172	6545 FRANCE	5,118,000	24,202,500	29,320,500	100%	29,320,500	Pay 2012	C/I Pref.	585,660	C/I Pref.	585,660
280	29-028-24-23-0173	6525 FRANCE AVE S	1,107,600	11,092,400	12,200,000	100%	12,200,000	Pay 2012	C/I	244,000	C/I	244,000
280	29-028-24-24-0001	3316 66th Street West	1,494,600	2,205,400	3,700,000	100%	3,700,000	Pay 2012	C/I Pref.	73,250	Rental	46,250
280	29-028-24-24-0002	ADDRESS UNASSIGNED	403,100	0	403,100	100%	403,100	Pay 2012	C/I	8,062	C/I	8,062
280	29-028-24-24-0004	Thrivent Financial - No Address	535,600	0	535,600	100%	535,600	Pay 2012	C/I	10,712	Rental	6,695
280	29-028-24-24-0005	3250 66th Street West	2,081,800	755,900	2,847,700	100%	2,847,700	Pay 2012	C/I Pref.	56,204	Rental	35,596
280	29-028-24-24-0007	6550 York Avenue	2,274,300	2,611,700	4,886,000	100%	4,886,000	Pay 2012	C/I Pref.	96,970	Rental	61,075
280	29-028-24-24-0025	6515 Barrie Road	675,000	979,300	1,654,300	100%	1,654,300	Pay 2012	C/I Pref.	32,336	Rental	20,679
280	29-028-24-24-0026	6525 Barrie Road	480,000	806,000	1,286,000	100%	1,286,000	Pay 2012	C/I Pref.	24,970	Rental	16,075
280	29-028-24-24-0027	6519 Barrie Road	827,400	289,500	1,116,900	100%	1,116,900	Pay 2012	C/I Pref.	21,588	Rental	13,961
280	29-028-24-24-0030	3330 66th Street West	917,900	429,500	1,347,400	100%	1,347,400	Pay 2012	C/I Pref.	26,198	Rental	16,843
280	29-028-24-24-0031	ADDRESS UNASSIGNED	36,900	0	36,900	100%	36,900	Pay 2012	C/I	738	C/I	738
280	29-028-24-24-0032	6500 BARRIE RD	478,400	721,600	1,200,000	100%	1,200,000	Pay 2012	C/I Pref.	23,250	C/I Pref.	23,250
280	29-028-24-24-0120	6444 Xerxes Avenue South	271,800	600,000	871,800	100%	871,800	Pay 2012	C/I Pref.	11,250	Rental	7,500
280	29-028-24-24-0121	6500 Xerxes Avenue	244,100	206,400	450,500	100%	450,500	Pay 2012	C/I Pref.	8,260	Rental	5,631
280	29-028-24-24-0223	6525 YORK AVE S	1,671,000	1,645,400	3,316,400	100%	3,316,400	Pay 2012	C/I	66,328	C/I	66,328
280	29-028-24-31-0002	3101 66TH ST W	1,241,200	1,000	1,242,200	100%	1,242,200	Pay 2012	C/I Pref.	24,094	C/I Pref.	24,094
280	29-028-24-31-0003	6725 York Avenue South	2,674,000	1,000	2,675,000	100%	2,675,000	Pay 2012	C/I Pref.	52,750	C/I Pref.	52,750
280	29-028-24-31-0005	3425 66TH ST W	369,500	663,700	1,033,200	100%	1,033,200	Pay 2012	C/I	20,664	C/I	20,664
280	29-028-24-31-0006	3230 SOUTHDAL CIR	714,700	220,600	935,300	100%	935,300	Pay 2012	C/I Pref.	17,956	C/I Pref.	17,956
280	29-028-24-31-0007	3220 SOUTHDAL CIR	1,124,800	125,400	1,250,200	100%	1,250,200	Pay 2012	C/I Pref.	24,254	C/I Pref.	24,254
280	29-028-24-31-0008	3210 SOUTHDAL CIR	467,500	58,000	525,500	100%	525,500	Pay 2012	C/I Pref.	9,760	C/I Pref.	9,760
280	29-028-24-31-0009	3200 SOUTHDAL CIR	672,500	7,700	680,200	100%	680,200	Pay 2012	C/I Pref.	12,854	C/I Pref.	12,854
280	29-028-24-31-0010	3240 SOUTHDAL CIR	563,100	1,000	564,100	100%	564,100	Pay 2012	C/I Pref.	10,532	C/I Pref.	10,532
280	29-028-24-31-0011	6612 XERXES AVE S	131,400	56,900	188,300	100%	188,300	Pay 2012	Hmstd. Res.	1,883	Hmstd. Res.	1,883
280	29-028-24-31-0012	6616 XERXES AVE S	131,400	108,100	239,500	100%	239,500	Pay 2012	Hmstd. Res.	2,395	Hmstd. Res.	2,395
280	29-028-24-31-0013	6620 XERXES AVE S	131,400	72,400	203,800	100%	203,800	Pay 2012	Hmstd. Res.	2,038	Hmstd. Res.	2,038
280	29-028-24-31-0014	6624 XERXES AVE S	131,400	68,200	199,600	100%	199,600	Pay 2012	Hmstd. Res.	1,996	Hmstd. Res.	1,996
280	29-028-24-31-0015	6628 XERXES AVE S	145,300	72,700	218,000	100%	218,000	Pay 2012	Non-H Res.	2,725	Non-H Res.	2,725
280	29-028-24-31-0016	6700 XERXES AVE S	145,300	79,600	224,900	100%	224,900	Pay 2012	Hmstd. Res.	2,249	Hmstd. Res.	2,249
280	29-028-24-31-0017	6704 XERXES AVE S	131,400	46,800	178,200	100%	178,200	Pay 2012	Hmstd. Res.	1,782	Hmstd. Res.	1,782
280	29-028-24-31-0018	6708 XERXES AVE S	131,400	74,300	205,700	100%	205,700	Pay 2012	Hmstd. Res.	2,057	Hmstd. Res.	2,057
280	29-028-24-31-0019	6712 XERXES AVE S	131,400	82,900	214,300	100%	214,300	Pay 2012	Hmstd. Res.	2,143	Hmstd. Res.	2,143
280	29-028-24-31-0024	300 SOUTHDAL CENTER	4,272,600	1,000	4,273,600	100%	4,273,600	Pay 2012	C/I Pref.	84,722	C/I Pref.	84,722
280	29-028-24-31-0025	6636 YORK AVE S	967,800	1,000	968,800	100%	968,800	Pay 2012	C/I	19,376	C/I	19,376
280	29-028-24-31-0026	6755 YORK AVE S	0	0	0	100%	0	Pay 2012	Exempt	-	Exempt	-
280	29-028-24-31-0027	6775 YORK AVE S	3,464,000	2,487,600	5,951,600	100%	5,951,600	Pay 2012	C/I Pref.	118,282	C/I Pref.	118,282
280	29-028-24-32-0001	3501 66TH ST W	616,600	0	616,600	100%	616,600	Pay 2012	C/I	12,332	C/I	12,332
280	29-028-24-32-0003	200 SOUTHDAL CENTER	1479500	2958500	4,438,000	100%	4,438,000	Pay 2012	C/I Pref.	88,010	C/I Pref.	88,010
280	29-028-24-32-0008	100 SOUTHDAL CENTER	1,883,700	7,193,300	9,077,000	100%	9,077,000	Pay 2012	C/I Pref.	180,790	C/I Pref.	180,790
280	29-028-24-32-0009	10 SOUTHDAL CENTER	27,696,800	45,616,200	73,313,000	100%	73,313,000	Pay 2012	C/I Pref.	1,465,510	C/I Pref.	1,465,510
280	30-028-24-14-0007	4005 65th Street	926,400	558,100	1,484,500	100%	1,484,500	Pay 2012	C/I Pref.	28,940	C/I Pref.	28,940

BASE VALUE INFORMATION (Original Tax Capacity)												
280	30-028-24-14-0120	6566 France	235,000		235,000	100%	235,000	Pay 2012	Hmstd. Res.	2,350	Hmstd. Res.	2,350
280	30-028-24-14-0123	6566 France	159,400		159,400	100%	159,400	Pay 2012	Hmstd. Res.	1,594	Hmstd. Res.	1,594
280	30-028-24-14-0125	6566 France	234,100		234,100	100%	234,100	Pay 2012	Hmstd. Res.	2,341	Hmstd. Res.	2,341
280	30-028-24-14-0127	6566 France	188,200		188,200	100%	188,200	Pay 2012	Hmstd. Res.	1,882	Hmstd. Res.	1,882
280	30-028-24-14-0128	6566 France	192,300		192,300	100%	192,300	Pay 2012	Hmstd. Res.	1,923	Hmstd. Res.	1,923
280	30-028-24-14-0129	6566 France	188,200		188,200	100%	188,200	Pay 2012	Hmstd. Res.	1,882	Hmstd. Res.	1,882
280	30-028-24-14-0130	6566 France	187,400		187,400	100%	187,400	Pay 2012	Hmstd. Res.	1,874	Hmstd. Res.	1,874
280	30-028-24-14-0131	6566 France	229,200		229,200	100%	229,200	Pay 2012	Hmstd. Res.	2,292	Hmstd. Res.	2,292
280	30-028-24-14-0133	6566 France	164,300		164,300	100%	164,300	Pay 2012	Hmstd. Res.	1,643	Hmstd. Res.	1,643
280	30-028-24-14-0135	6566 France	159,400		159,400	100%	159,400	Pay 2012	Non-H Res.	1,993	Non-H Res.	1,993
280	30-028-24-14-0137	6566 France	229,200		229,200	100%	229,200	Pay 2012	Non-H Res.	2,865	Non-H Res.	2,865
280	30-028-24-14-0139	6566 France	178,900		178,900	100%	178,900	Pay 2012	Non-H Res.	2,236	Non-H Res.	2,236
280	30-028-24-14-0140	6566 France	187,400		187,400	100%	187,400	Pay 2012	Hmstd. Res.	1,874	Hmstd. Res.	1,874
280	30-028-24-14-0141	6566 France	183,800		183,800	100%	183,800	Pay 2012	Hmstd. Res.	1,838	Hmstd. Res.	1,838
280	30-028-24-14-0142	6566 France	187,400		187,400	100%	187,400	Pay 2012	Non-H Res.	2,343	Non-H Res.	2,343
280	30-028-24-14-0147	6566 France	179,400		179,400	100%	179,400	Pay 2012	Hmstd. Res.	1,794	Hmstd. Res.	1,794
280	30-028-24-14-0149	6566 France	314,200		314,200	100%	314,200	Pay 2012	Non-H Res.	3,928	Non-H Res.	3,928
280	30-028-24-14-0151	6566 France	196,000		196,000	100%	196,000	Pay 2012	Hmstd. Res.	1,960	Hmstd. Res.	1,960
280	30-028-24-14-0152	6566 France	209,400		209,400	100%	209,400	Pay 2012	Non-H Res.	2,618	Non-H Res.	2,618
280	30-028-24-14-0153	6566 France	196,000		196,000	100%	196,000	Pay 2012	Non-H Res.	2,450	Non-H Res.	2,450
280	30-028-24-14-0154	6566 France	214,300		214,300	100%	214,300	Pay 2012	Hmstd. Res.	2,143	Hmstd. Res.	2,143
280	30-028-24-14-0155	6566 France	250,500		250,500	100%	250,500	Pay 2012	Hmstd. Res.	2,505	Hmstd. Res.	2,505
280	30-028-24-14-0156	6566 France	261,200		261,200	100%	261,200	Pay 2012	Hmstd. Res.	2,612	Hmstd. Res.	2,612
280	30-028-24-14-0157	6566 France	179,400		179,400	100%	179,400	Pay 2012	Non-H Res.	2,243	Non-H Res.	2,243
280	30-028-24-14-0158	6566 France	138,500		138,500	100%	138,500	Pay 2012	Hmstd. Res.	1,385	Hmstd. Res.	1,385
280	30-028-24-14-0159	6566 France	372,500		372,500	100%	372,500	Pay 2012	Non-H Res.	4,656	Non-H Res.	4,656
280	30-028-24-14-0160	4015 65th Street West	3,032,400	8,631,300	11,663,700	100%	11,663,700	Pay 2012	Rental	145,796	Rental	145,796
280	30-028-24-14-0161	6566 France	299,600		299,600	100%	299,600	Pay 2012	Hmstd. Res.	2,996	Hmstd. Res.	2,996
280	30-028-24-14-0162	6566 France	399,900		399,900	100%	399,900	Pay 2012	Hmstd. Res.	3,999	Hmstd. Res.	3,999
280	30-028-24-14-0163	6566 France	367,600		367,600	100%	367,600	Pay 2012	Non-H Res.	4,595	Non-H Res.	4,595
280	30-028-24-14-0164	6566 France	367,600		367,600	100%	367,600	Pay 2012	Hmstd. Res.	3,676	Hmstd. Res.	3,676
280	30-028-24-14-0165	6566 France	272,800		272,800	100%	272,800	Pay 2012	Non-H Res.	3,410	Non-H Res.	3,410
280	30-028-24-14-0166	6566 France	367,600		367,600	100%	367,600	Pay 2012	Non-H Res.	4,595	Non-H Res.	4,595
280	30-028-24-14-0167	6566 France	414,300		414,300	100%	414,300	Pay 2012	Hmstd. Res.	4,143	Hmstd. Res.	4,143
280	30-028-24-14-0168	6566 France	286,200		286,200	100%	286,200	Pay 2012	Non-H Res.	3,578	Non-H Res.	3,578
280	30-028-24-14-0049	6566 France	151,800		151,800	100%	151,800	Pay 2012	Hmstd. Res.	1,518	Hmstd. Res.	1,518
280	30-028-24-14-0050	6566 France	116,200		116,200	100%	116,200	Pay 2012	Hmstd. Res.	1,162	Hmstd. Res.	1,162
280	30-028-24-14-0051	6566 France	151,800		151,800	100%	151,800	Pay 2012	Hmstd. Res.	1,518	Hmstd. Res.	1,518
280	30-028-24-14-0052	6566 France	116,200		116,200	100%	116,200	Pay 2012	Hmstd. Res.	1,162	Hmstd. Res.	1,162
280	30-028-24-14-0053	6566 France	213,600		213,600	100%	213,600	Pay 2012	Hmstd. Res.	2,136	Hmstd. Res.	2,136
280	30-028-24-14-0054	6566 France	224,300		224,300	100%	224,300	Pay 2012	Hmstd. Res.	2,243	Hmstd. Res.	2,243
280	30-028-24-14-0055	6566 France	170,400		170,400	100%	170,400	Pay 2012	Hmstd. Res.	1,704	Hmstd. Res.	1,704
280	30-028-24-14-0056	6566 France	183,800		183,800	100%	183,800	Pay 2012	Non-H Res.	2,298	Non-H Res.	2,298
280	30-028-24-14-0057	6566 France	170,400		170,400	100%	170,400	Pay 2012	Hmstd. Res.	1,704	Hmstd. Res.	1,704
280	30-028-24-14-0058	6566 France	178,900		178,900	100%	178,900	Pay 2012	Hmstd. Res.	1,789	Hmstd. Res.	1,789
280	30-028-24-14-0059	6566 France	213,600		213,600	100%	213,600	Pay 2012	Hmstd. Res.	2,136	Hmstd. Res.	2,136
280	30-028-24-14-0060	6566 France	229,200		229,200	100%	229,200	Pay 2012	Hmstd. Res.	2,292	Hmstd. Res.	2,292
280	30-028-24-14-0061	6566 France	151,800		151,800	100%	151,800	Pay 2012	Non-H Res.	1,898	Non-H Res.	1,898
280	30-028-24-14-0062	6566 France	116,200		116,200	100%	116,200	Pay 2012	Non-H Res.	1,453	Non-H Res.	1,453
280	30-028-24-14-0063	6566 France	151,800		151,800	100%	151,800	Pay 2012	Non-H Res.	1,898	Non-H Res.	1,898
280	30-028-24-14-0064	6566 France	116,200		116,200	100%	116,200	Pay 2012	Hmstd. Res.	1,162	Hmstd. Res.	1,162
280	30-028-24-14-0065	6566 France	213,600		213,600	100%	213,600	Pay 2012	Non-H Res.	2,670	Non-H Res.	2,670
280	30-028-24-14-0066	6566 France	229,200		229,200	100%	229,200	Pay 2012	Hmstd. Res.	2,292	Hmstd. Res.	2,292
280	30-028-24-14-0067	6566 France	170,400		170,400	100%	170,400	Pay 2012	Hmstd. Res.	1,704	Hmstd. Res.	1,704
280	30-028-24-14-0068	6566 France	183,800		183,800	100%	183,800	Pay 2012	Hmstd. Res.	1,838	Hmstd. Res.	1,838
			0		0	100%	0	Pay 2012		-		-
			107,558,300	124,498,400	232,056,700		232,056,700			4,252,730		4,121,297

Note:

1. Base values are based upon review of County website on 3/7/12 of values assessed 1/2/11 for taxes payable 2012.
2. Parcels are located within School district 280 and Watershed District 1 and 3. The tax rate used for this projection is for Watershed 3

Southdale Mall Renovation and Mixed Use Development

City of Edina
Southdale Mall Renovation and Adjacent Development

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 2012	Percentage Completed 2013	Percentage Completed 2014	Percentage Completed 2015	First Year Full Taxes Payable	
Mail	Retail	125,000,000	125,000,000	1	125,000,000	C/I Pref.	2,499,250		90%	92%	96%	100%	2017	
Office	Office	67,000,000	67,000,000	1	67,000,000	C/I Pref.	1,339,250		90%	92%	95%	100%	2017	
66th & York	Apartments	130,000	130,000	420	54,600,000	Rental	682,500		25%	25%	45%	100%	2017	
Retail	Retail	53,000,000	53,000,000	1	53,000,000	C/I Pref.	1,059,250		93%	96%	98%	100%	2017	
Condos	Condominiums	215,000	197,110	141	27,792,510	Hmstd. Res.	277,925		100%	100%	100%	100%	2014	
TOTAL					327,392,510		5,858,175							
Subtotal Residential					82,392,510		960,425							
Subtotal Commercial/Ind.					245,000,000		4,897,750							

Note:

1. Renovated mall market value based upon tax estimates from mall owner.
2. Other development values based on proposals received by the City of Edina that will increase existing values and estimates from City Assessor

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	
Retail	2,499,250	868,272	1,630,978	1,865,040	1,232,469	1,299,610	198,250	4,595,368	
Office	1,339,250	465,273	873,977	999,402	660,432	696,410	106,262	2,462,505	
Apartments	682,500	0	682,500	780,446	0	0	86,596	867,041	
Retail	1,059,250	367,997	691,253	790,454	522,354	550,810	84,058	1,947,676	
Condominiums	277,925	0	277,925	317,810	0	0	44,079	361,889	
TOTAL	5,858,175	1,701,542	4,156,633	4,753,151	2,415,254	2,546,830	519,245	10,234,480	

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.
2. If tax increment is received in 2013 then the district will be one year shorter.



City of Edina
Southdale Mall Renovation and Adjacent Development
 School District 280

Southdale Mall Renovation and Adjacent Development

% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual	State Auditor	Admin. at	Semi-Annual	Semi-Annual	PERIOD ENDING Yrs.	Tax Year	Payment Date
							Gross Tax Increment	0.36%	10%	Net Tax Increment	Present Value			
							-	-	-	-	-			08/01/12
							-	-	-	-	-			02/01/13
							-	-	-	-	-			08/01/13
							-	-	-	-	-			02/01/14
100%	4,887,371	(4,121,297)	(350,521)	415,553	114.351%	475,189	237,594	(855)	(23,674)	213,065	186,039	0.5	2014	08/01/14
							237,594	(855)	(23,674)	213,065	367,098	1	2014	02/01/15
100%	5,007,847	(4,121,297)	(392,052)	494,497	114.351%	565,463	282,731	(1,018)	(28,171)	253,542	576,788	1.5	2015	08/01/15
							282,731	(1,018)	(28,171)	253,542	780,866	2	2015	02/01/16
100%	5,294,683	(4,121,297)	(444,281)	729,105	114.351%	833,738	416,869	(1,501)	(41,537)	373,832	1,073,712	2.5	2016	08/01/16
							416,869	(1,501)	(41,537)	373,832	1,358,721	3	2016	02/01/17
100%	5,858,175	(4,121,297)	(509,635)	1,227,243	114.351%	1,403,364	701,682	(2,526)	(69,916)	629,240	1,825,613	3.5	2017	08/01/17
							701,682	(2,526)	(69,916)	629,240	2,280,009	4	2017	02/01/18
100%	5,858,175	(4,121,297)	(504,487)	1,232,391	114.351%	1,409,252	704,626	(2,537)	(70,209)	631,880	2,724,099	4.5	2018	08/01/18
							704,626	(2,537)	(70,209)	631,880	3,156,303	5	2018	02/01/19
100%	5,858,175	(4,121,297)	(504,487)	1,232,391	114.351%	1,409,252	704,626	(2,537)	(70,209)	631,880	3,576,940	5.5	2019	08/01/19
							704,626	(2,537)	(70,209)	631,880	3,986,319	6	2019	02/01/20
100%	5,858,175	(4,121,297)	(504,487)	1,232,391	114.351%	1,409,252	704,626	(2,537)	(70,209)	631,880	4,384,742	6.5	2020	08/01/20
							704,626	(2,537)	(70,209)	631,880	4,772,501	7	2020	02/01/21
100%	5,858,175	(4,121,297)	(504,487)	1,232,391	114.351%	1,409,252	704,626	(2,537)	(70,209)	631,880	5,149,882	7.5	2021	08/01/21
							704,626	(2,537)	(70,209)	631,880	5,517,163	8	2021	02/01/22
100%	5,858,175	(4,121,297)	(504,487)	1,232,391	114.351%	1,409,252	704,626	(2,537)	(70,209)	631,880	5,874,614	8.5	2022	08/01/22
							704,626	(2,537)	(70,209)	631,880	6,222,498	9	2022	02/01/23
Total							10,324,014	(37,166)	(1,028,685)	9,258,163				
	Present Value From 02/01/2012	Present Value Rate	5.50%				6,938,866	(24,980)	(691,389)	6,222,498				

Appendix E

Minnesota Business Assistance Form (Minnesota Department of Employment and Economic Development)

A Minnesota Business Assistance Form (MBAF) should be used to report and/or update each calendar year's activity by April 1 of the following year.

Please see the Minnesota Department of Employment and Economic Development (DEED) website at <http://www.deed.state.mn.us/Community/subsidies/MBAFForm.htm> for information and forms.

Appendix F

Findings Including But/For Qualifications

But-For Analysis	
Current Market Value	489,660,200
New Market Value - Estimate	608,772,510
Difference	119,112,310
Present Value of Tax Increment	7,873,815
Difference	111,238,495
Value Likely to Occur Without TIF is Less Than:	111,238,495

(AS MODIFIED APRIL 5, 2016)

The Council hereby reaffirms the original findings for the District, namely that the when the District was established, it was established as an "economic development district" under *M.S., Section 469.174, Subd. 12*, as modified by *M.S., Section 469.176, Subd. 4c(d)*.

In addition, the City makes the following findings:

- (a) The TIF Plan Modification conforms to the general plan for development or redevelopment of the City as a whole. The reason for supporting this finding is that the TIF Plan Modification will generally complement and serve to implement policies adopted in the City's comprehensive plan.
- (b) The TIF Modification will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Southeast Edina Redevelopment Project Area by private enterprise. The TIF Plan Modification will allow for the City to establish the 66 West Tax Increment Financing District, and the development activities are necessary so that development and redevelopment by private enterprise can occur within Southeast Edina Redevelopment Project Area.
- (c) The City reaffirms the original findings of the Southdale 2 Tax Increment Financing District, namely that the development and redevelopment efforts, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefor the use of tax increment financing is deemed necessary.

(AS MODIFIED NOVEMBER 20, 2018)

The Council hereby reaffirms the original findings for the District, namely that the when the District was established, it was established as an "economic development district" under *M.S., Section 469.174, Subd. 12*, as modified by *M.S., Section 469.176, Subd. 4c(d)*.

In addition, the City makes the following findings:

- (a) The TIF Plan Modification conforms to the general plan for development or redevelopment of the City as a whole. The reason for supporting this finding is that the TIF Plan Modification will generally complement and serve to implement policies adopted in the City's comprehensive plan.**
- (b) The TIF Modification will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of the Southeast Edina Redevelopment Project Area by private enterprise. The TIF Plan Modification will allow for the City to establish the 66 West Tax Increment Financing District and support additional affordable housing activities as authorized under *Minnesota Session Laws 2014, Chapter 308, HF No. 3167, Article 6, Sec. 8* and *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6, Sec. 11*, and the development activities are necessary so that development and redevelopment by private enterprise can occur within Southeast Edina Redevelopment Project Area.**
- (c) The City reaffirms the original findings of the Southdale 2 Tax Increment Financing District, namely that the development and redevelopment efforts, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefor the use of tax increment financing is deemed necessary.**

Appendix G
Prior Improvements

The complete list of permits issued are on file with the City Planner

Appendix H Special Legislation

Minnesota Session Laws – 2017, 1st Special Session

Chapter 1 – HF No. 1, Article 6

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

Authority to create districts.

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

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

EFFECTIVE DATE.

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

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

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

EFFECTIVE DATE.

This section is effective the day following final enactment.

Minnesota Session Laws - 2014, Regular Session

Chapter 308--HF No. 3167, Article 6

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

Subdivision 1. Authority to create districts.

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

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

Subd. 2. Rules governing districts.

(a) Housing districts established under this section are subject to the provisions of Minnesota Statutes, sections 469.174 to 469.1794, except as otherwise provided in this subdivision.

(b) Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, no increment must be paid to the authority after 20 years after receipt by the authority of the first increment from a district established under this section.

(c) Notwithstanding the provisions of Minnesota Statutes, section 469.1761, subdivision 3, for a residential rental project, the city may elect to substitute "20 percent" for "40 percent" in the 40-60 test under section 142(d)(1)(B) of the Internal Revenue Code in determining the applicable income limits.

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

Subd. 3. Pooling authority.

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

EFFECTIVE DATE.

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

Appendix I

Housing Qualifications for the District

In meeting the criteria of *Minnesota Session Laws 2017, Chapter 1, HF No. 1, Article 6*, at least 20% of the units will be occupied by person with incomes less than 60% of median income.

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

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

***PLEASE NOTE: THESE NUMBERS ARE ADJUSTED ANNUALLY. ALL INCOME FIGURES REPORTED ON THIS PAGE ARE FOR 2018.



Edina Housing and Redevelopment
Authority
Established 1974

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

Date: November 15, 2018

Agenda Item #: V.B.

To: Chair & Commissioners of the Edina HRA

Item Type:
Advisory Communication

From: Stephanie Hawkinson, Affordable Housing
Development Manager

Item Activity:

Subject: Fair Housing Policy

Information

ACTION REQUESTED:

For information only. This item will be brought before the City Council at a later date.

INTRODUCTION:

The City of Edina strives to advance its commitment to inclusion and equity by developing a Fair Housing Policy to further the goal of creating a vibrant, safe, and healthy community where all residents will thrive.

ATTACHMENTS:

Fair Housing Policy



- City Council
- City-Wide
- Department

Approved: [Click here to enter a date.](#)

Revised: [Click here to enter a date.](#)

Fair Housing Policy

1. PURPOSE AND VISION

Title VIII of the Civil Rights Act establishes federal policy for providing fair housing throughout the United States. The intent of Title VIII is to assure equal housing opportunities for all citizens. Furthermore, the City of Edina, as a recipient of federal community development funds under Title I of the Housing and Community Development Act of 1974, is obligated to certify that it will affirmatively further fair housing.

The City of Edina strives to advance its commitment to inclusion and equity by developing this Fair Housing Policy to further the goal of creating a vibrant, safe, and healthy community where all residents will thrive.

2. POLICY STATEMENT

It is the policy and commitment of the City of Edina to ensure that fair and equal housing opportunities are available to all persons in all housing opportunities and development activities funded by the City regardless of race, color, religion, sex, sexual orientation, marital status, status with regard to public assistance, creed, familial status, national origin, or disability. This is done through external policies to provide meaningful access to all constituents as well as fair housing information and referral services; and through internal practices and procedures that promote fair housing and support the City's racial equity and inclusion goals.

3. EXTERNAL PRACTICES

A. Intake and Referral

The City of Edina has designated the Staff Liaison to the Human Rights & Relations Commission as the responsible authority for the intake and referral of all fair housing complaints. At a minimum the Staff Liaison will be trained in state and federal fair housing laws, the complaint process for filing discrimination complaints, and the state and federal agencies that handle complaints. The date, time, and nature of the fair housing complaint and the referrals and information given will be fully documented. The Human Rights & Relations Commission will advise the City Council on City programs and policies affecting fair housing and raise issues and concerns where appropriate.

B. Meaningful Access

- i. **Online Information.** The City of Edina will continue to display information about fair housing prominently on its website. The website will continue to include links to various fair housing resources, including the Department of Housing and Urban Development, Minnesota Department of Human Rights, Mid-Minnesota Legal Aid, and others as well as links to state and federal fair housing complaint forms. In addition, the City will post the following documents on its website:
 - Reasonable Accommodation Policy;
 - Limited English Proficiency (LEP) Policy;
 - Americans with Disabilities Act (ADA) Policy regarding access to City services; and
 - The State of Minnesota’s Olmstead Plan.
- ii. **In-Person Information.** The City of Edina will provide in-person fair housing information including:
 - A list of fair housing enforcement agencies;
 - Frequently asked questions regarding fair housing law; and
 - Fair housing complaint forms for enforcement agencies

C. Languages.

The City of Edina is committed to providing information in the native language of its residents. The City of Edina will provide information in languages other than English as described in its LEP Policy.

4. INTERNAL PRACTICES

The City of Edina commits to the following steps to promote awareness and competency regarding fair housing issues in all of its government functions.

- a. **Staff and Officials Training.** The City will continue to train its staff and officials on fair housing considerations.
- b. **Housing Analysis.** The City will review its housing periodically to examine the affordability of both rental and owner-occupied housing to inform future City actions.

- c. **Code Analysis.** The City will review its municipal code periodically, with specific focus on ordinances related to zoning, building, and occupancy standards, to identify any potential for disparate impact or treatment.
- d. **Project Planning and Analysis.** City planning functions and development review will consider housing issues, including whether potential projects may perpetuate segregation or lead to displacement of protected classes.
- e. **Community Engagement.** The City will seek input from underrepresented populations in the community. Conversations regarding fair housing, development, zoning, and land use changes may be facilitated by the City.
- f. **Affirmatively Furthering Fair Housing.** As a recipient of federal funds, the City agrees to participate in the Regional Analysis of Impediments, as organized by the regional Fair Housing Implementation Council (FHIC), an ad hoc coalition of Community Development Block Grant (CDBG) entitlement jurisdictions and others working together to affirmatively further fair housing. The City will review the recommendations from the analysis for potential integration into City planning documents, including the Consolidated Plan, the Comprehensive Plan, and other related documents.



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AUTHORITY
4801 West 50th Street
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Date: November 15, 2018

Agenda Item #: VI.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Other

From: Sharon Allison, Executive Assistant

Item Activity:
Information

Subject: Correspondence

ACTION REQUESTED:

None.

INTRODUCTION:

There have been no correspondences since the last meeting.



Edina Housing and Redevelopment
Authority
Established 1974

CITY OF EDINA
HOUSING & REDEVELOPMENT
AUTHORITY

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Date: November 15, 2018

Agenda Item #: VII.A.

To: Chair & Commissioners of the Edina HRA

Item Type:
Other

From: Scott Neal, Executive Director

Item Activity:
Discussion

Subject: 2019 HRA Meeting Schedule

ACTION REQUESTED:

INTRODUCTION:

2018 was the first year that the HRA began meeting at 7:30 a.m., on the second and fourth Thursday of the month. For certain months, the schedule was changed so that an HRA and City Council meeting did not take place during the same week.

Attached is a 'draft calendar' for HRA's review that will be helpful in setting the 2019 HRA schedule. This calendar reflects the 2018 schedule including meetings that were cancelled.

ATTACHMENTS:

Draft Calendar for HRA's Review

DRAFT CALENDAR FOR HRA'S REVIEW

Holidays
 City Council
 Nite to Unite
 Pln Comm
 Trns Comm
 Pk & Rec Comm

Indicates a religious holiday's observance
 Election Day
 HRA
 HRA Cancel

HP Comm
 Health Comm
 Human R/R Comm
 E& E Comm
 Arts & Culture Comm

JANUARY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

FEBRUARY						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

MARCH						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

APRIL						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

MAY						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

JUNE						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JULY						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

AUGUST						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

SEPTEMBER						
S	M	T	W	T	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

OCTOBER						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

NOVEMBER						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

DECEMBER						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				