



FINAL FOR FILING

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

and the

Tax Increment Financing Plan

for the establishment of

**the 50th and France 2 Tax Increment Financing District
(a redevelopment 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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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 50th and France 2 Tax Increment Financing District.

Section 1 - 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.

(AS MODIFIED JUNE 20, 2017)

June 20, 2017: The HRA and City are establishing the 50th and France 2 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 50th and France 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 establish the 50th and France 2 Tax Increment Financing District (the "District"), a redevelopment 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 or to promote a greater degree of development that allows City objectives to be fulfilled. 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"), 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, adopted September 29, 1977, and modified from time to time.

Subsection 2-3. Statement of Objectives

The District currently consists of nine parcels of land and adjacent and internal rights-of-way. As a part of the City's vision for the 50th and France Commercial Area, the District is being created to facilitate the redevelopment of existing HRA-owned property which is determined to be underutilized and consisting of obsolete structures, vacant areas, and outdated and inadequate public infrastructure. The proposed redevelopment contains new construction of approximately 110 unit apartment building and 32,500 square feet of commercial elements in the City as well as auxiliary infrastructure. Please see Appendix A for further description of the anticipated project. The HRA is considering an agreement with Edina Market Street LLC as the developer at the time of preparation of this TIF Plan. Redevelopment activities are proposed to begin in 2018 with completion in 2019. This TIF Plan is expected to achieve many of the objectives outlined in Subsection 3-4 of 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 - The HRA or City currently owns nine parcels of property within the District 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 HRA or City currently owns the property to be included in the District.

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 redevelopment district pursuant to *M.S., Section 469.174, Subd. 10(a)(1)* as defined below:

(a) *"Redevelopment district" means a type of tax increment financing district consisting of a project, or portions of a project, within which the authority finds by resolution that one or more of the following conditions, reasonably distributed throughout the district, exists:*

(1) *parcels consisting of 70 percent of the area in the district are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;*

(2) *The property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities or excessive or vacated railroad rights-of-way;*

(3) *tank facilities, or property whose immediately previous use was for tank facilities, as defined in Section 115C, Subd. 15, if the tank facility:*

(i) *have or had a capacity of more than one million gallons;*

(ii) *are located adjacent to rail facilities; or*

(iii) *have been removed, or are unused, underused, inappropriately used or infrequently used; or*

(4) *a qualifying disaster area, as defined in Subd. 10b.*

M.S., Section 469.174, Subd. 10(a)(1) continued:

(b) *For purposes of this subdivision, "structurally substandard" shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or*

similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

- (c) A building is not structurally substandard if it is in compliance with the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence on the basis of reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs or other similar reliable evidence. The municipality may not make such a determination without an interior inspection of the property, but need not have an independent, expert appraisal prepared of the cost of repair and rehabilitation of the building. An interior inspection of the property is not required, if the municipality finds that (1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and (2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard.*
- (d) A parcel is deemed to be occupied by a structurally substandard building for purposes of the finding under paragraph (a) or by the improvement described in paragraph (e) if all of the following conditions are met:
 - (1) the parcel was occupied by a substandard building or met the requirements of paragraph (e), as the case may be, within three years of the filing of the request for certification of the parcel as part of the district with the county auditor;*
 - (2) the substandard building or the improvements described in paragraph (e) were demolished or removed by the authority or the demolition or removal was financed by the authority or was done by a developer under a development agreement with the authority;*
 - (3) the authority found by resolution before the demolition or removal that the parcel was occupied by a structurally substandard building or met the requirement of paragraph (e) and that after demolition and clearance the authority intended to include the parcel within a district; and*
 - (4) upon filing the request for certification of the tax capacity of the parcel as part of a district, the authority notifies the county auditor that the original tax capacity of the parcel must be adjusted as provided by § 469.177, subdivision 1, paragraph (f).**
- (e) For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures unless 15 percent of the area of*

M.S., Section 469.174, Subd. 10(a)(1) continued:

the parcel contains buildings, streets, utilities, paved or gravel parking lots or other similar structures.

- (f) For districts consisting of two or more noncontiguous areas, each area must qualify as a redevelopment district under paragraph (a) to be included in the district, and the entire area of the district must satisfy paragraph (a).*

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

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

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 *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the HRA or City (a total of 26 years of tax increment collection). The HRA or City elects to receive the first tax increment in 2020, 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 2045, 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 2016 for taxes payable 2017.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2020) 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 2017, assuming the request for certification is made before June 30, 2017. 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 2020. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Estimated Tax Capacity upon Completion (PTC)	\$1,558,128	
Original Estimated Net Tax Capacity (ONTC)	\$72,509	
Fiscal Disparities Contribution	\$147,572	
Estimated Captured Tax Capacity (CTC)	\$1,338,047	
Original Local Tax Rate	1.18213	Pay 2017
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$1,581,746	
Percent Retained by the HRA	100%	

Tax capacity includes a 3% 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 25. The tax capacity of the District in year one is estimated to be \$744,171.

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 found no parcels for which 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	\$28,519,768
<u>Interest</u>	<u>\$2,851,977</u>
TOTAL	\$31,371,745

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 redevelopment 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 \$16,692,088. 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 redevelopment and construction of approximately 110 housing units and 32,500 square feet of retail space. 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 table below. These estimates establish the maximum amount permitted to be expended, but the City/HRA is not obligated to expend this full amount.

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$6,100,000
Site Improvements/Preparation	\$1,600,000
Utilities	\$1,900,000
Other Qualifying Improvements	\$4,240,111
<u>Administrative Costs (up to 10%)</u>	<u>\$2,851,977</u>
PROJECT COST TOTAL	\$16,692,088
<u>Interest</u>	<u>\$14,679,657</u>
PROJECT AND INTEREST COSTS TOTAL	\$31,371,745

The project cost utilizing tax increment, 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*, no more than 25 percent of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of the Southeast Edina Redevelopment Project Area, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in this TIF Plan.

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 chooses to calculate fiscal disparities by clause b.

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

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

Subsection 2-12. Business Subsidies

M.S. Section 116J.993 to 116J.995 defines a business subsidy as a “grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease or other obligation, or any preferential use of government facilities given to a business.” Also included in the definition are many forms of economic assistance. Some forms of assistance, such as tax increment, 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) and the portion of 50th St. W (County Road 21) located in Minneapolis, east of France Ave. The HRA and the 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 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.

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			
	2016/Pay 2017 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,573,060,731	1,338,047	0.0851%
City of Edina	116,854,423	1,338,047	1.1451%
Edina ISD No. 273	97,015,332	1,338,047	1.3792%

IMPACT ON TAX RATES IF "BUT FOR" NOT MET				
	Pay 2017 Extension Rates	Percent of Total Rate	CTC	Potential Annual Taxes
Hennepin County	0.440870	37.29%	1,338,047	589,905
City of Edina	0.282710	23.92%	1,338,047	378,279
Edina ISD No. 273	0.347980	29.44%	1,338,047	465,614
Other	<u>0.110570</u>	<u>9.35%</u>	<u>1,338,047</u>	<u>147,948</u>
Total	1.182130	100.00%		1,581,747

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 2017 rate as obtained from Hennepin County. The total net capacity for the entities listed above are based on actual Pay 2017 figures. The District will be certified under the actual Pay 2017 rates, assuming the request for certification is made prior to June 30, 2017.

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 \$28,519,768;
- (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 expects costs of inspection and that the development to generate a minor increase in EMS calls, depending on the occupancy mix of the residential units. 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 moderate. The redevelopment is not expected to require additional infrastructure to address its impact to traffic movement in the area. Aging parking infrastructure will be replaced with a pedestrian plaza and pedestrian-oriented woonerf, offset by public investment of \$11 million in parking infrastructure expansion to the District's North Ramp. The operating costs from changes in configuration of the publicly maintained spaces resulting from the redevelopment are anticipated to remain neutral or slightly reduced. Based on the approved development plans, costs associated with street maintenance, sweeping, plowing, lighting and sidewalks are also expected to be neutral. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle additional volume generated from the proposed development. The development in the District is expected to contribute an estimated \$740,350 in combined City and Metropolitan Council 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 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 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 jurisdictions 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 \$8,396,220. The amount is calculated by multiplying the total estimated increment of \$28, 519,768 by the percent of the total tax rate attributable to the school district (based on the Pay 2017 tax rate) of 29.44%.
- (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 all taxing jurisdictions remained the same.*” The amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$10,635,021. The amount is calculated by multiplying the total estimated increment of \$28,519,768 by the percent of the total tax rate attributable to the county (based on the Pay 2017 tax rate) of 37.29%;
- (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 that 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:

- Redevelopment Qualifications Report: Stantec Consulting, April 2017.
- 50th and France Transportation Study: SRF Consulting Group, January 20, 2017.
- Edina Colaborative Development Transportation Study: SRF Consulting Group, March 31, 2017
- 50th St. and France Avenue Neighborhood Study: SRF Consulting Group, March 31, 2017.

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.*

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 Authority;*
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 Authority,*

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 redevelopment 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. 10*, 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 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.

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 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 June 2021 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, other qualifying improvements, 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.*” 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 within the District 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 25 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 25 percent of the acreage, the HRA or City concluded an agreement for the development or redevelopment of the property acquired and which provides recourse for the HRA or City should the development or redevelopment 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's 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 75 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 25 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 75 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, 75 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*.
4. Redevelopment District. At least 90 percent of the revenues derived from tax increment from a redevelopment district must be used to finance the cost of correcting conditions that allow designation of redevelopment and renewal and renovation districts under *M.S., Section 469.176 Subd. 4j*. These costs include, but are not limited to, acquiring properties containing structurally substandard buildings or improvements or hazardous substances, pollution, or contaminants, acquiring adjacent parcels necessary to provide a site of sufficient size to permit development, demolition and rehabilitation of structures, clearing of the land, the removal of hazardous substances or remediation necessary for development of the land, and installation of utilities, roads, sidewalks, and parking facilities for the site. The allocated administrative expenses of the HRA or City, including the cost of preparation of the development action response plan, may be included in the qualifying costs.

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.

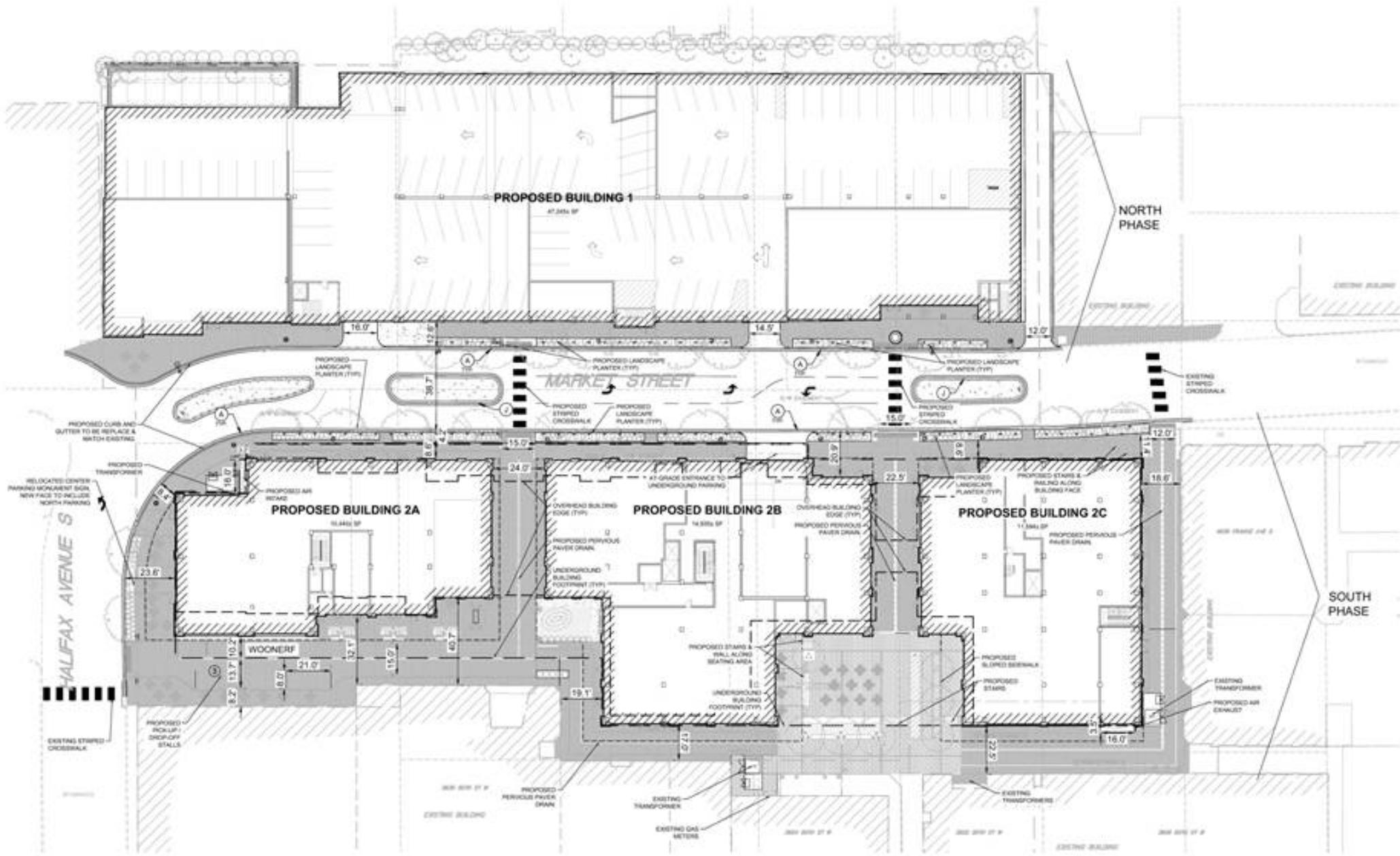
Appendix A

Project Description

In 2016, the HRA released a request for development proposals seeking to revitalize and redevelop an underutilized section of the 50th and France Commercial Area consisting of HRA-owned property and aging public infrastructure. As a result, the HRA accepted the proposal of Edina Market Street LLC to work toward a purchase agreement for a portion of the land in the District and to redevelop the site to complement the City's re-investment of an estimated \$11 million expansion to the city-owned North Parking Ramp.

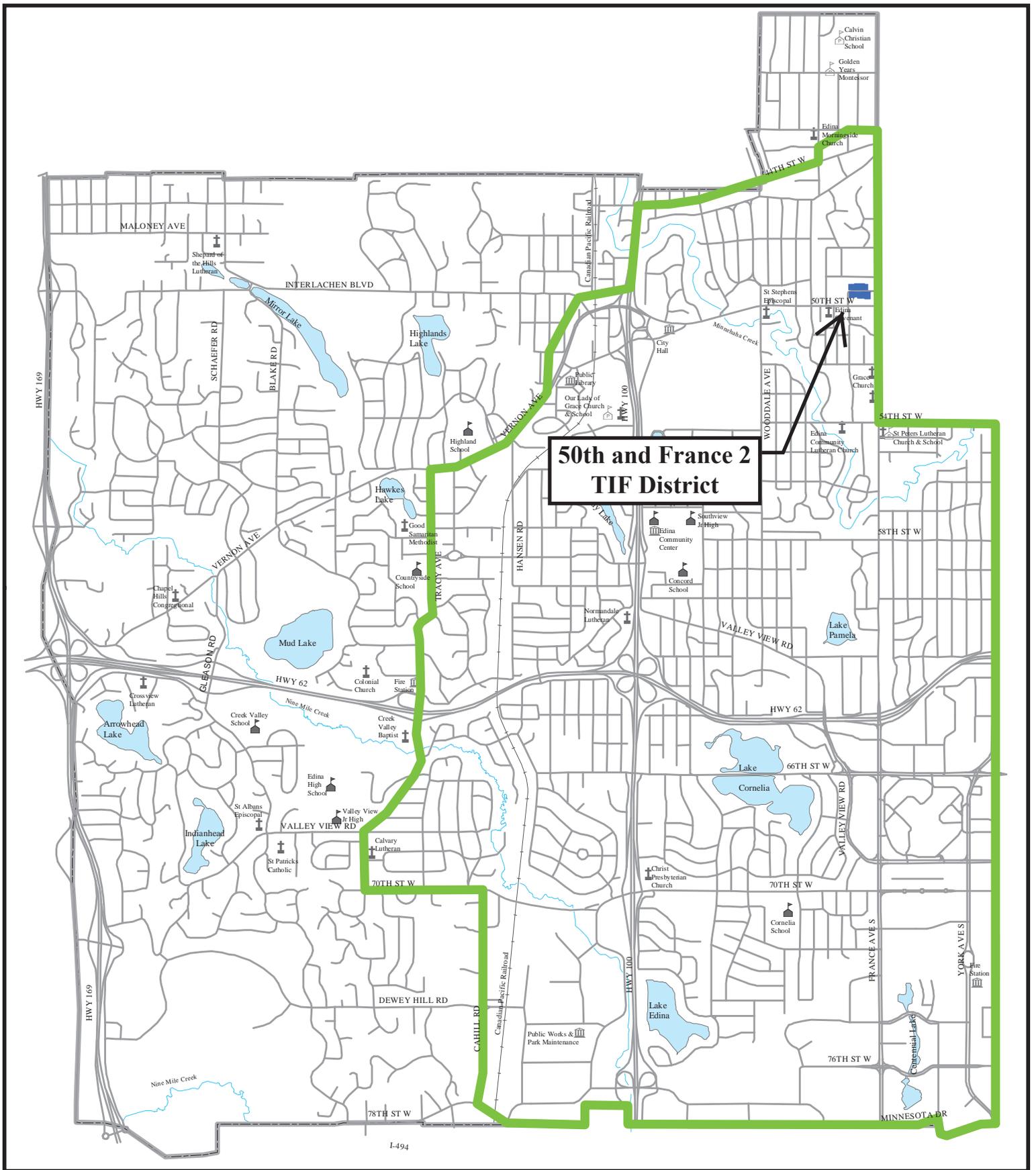
The 50th and France 2 Tax Increment District is a significant redevelopment effort of the City of Edina. The redevelopment cost is estimated to be in excess of \$74 million. The project focuses on revitalizing the site of the City's underutilized property consisting of substandard vacant commercial property and aging public parking structure. The redevelopment envisions new construction of a 110-unit apartment building and 32,500 square feet of mixed commercial elements supplemented with a public plaza and public underground parking.

The redevelopment is expected to start as early as the beginning of 2018 and occur over the next two years reaching initial occupancy in late 2019. Tax Increment from the District will be utilized in conjunction with potential funding from the Metropolitan Council, the Department of Employment and Economic Development, and Hennepin County to provide financing for the estimated \$74 million private redevelopment project. The HRA proposes to issue a pay-as-you-go TIF Note to the developer to reimburse qualifying costs necessary to facilitate the redevelopment.



Appendix B

Map of the Southeast Edina Redevelopment Project Area and the 50th and France 2 TIF District

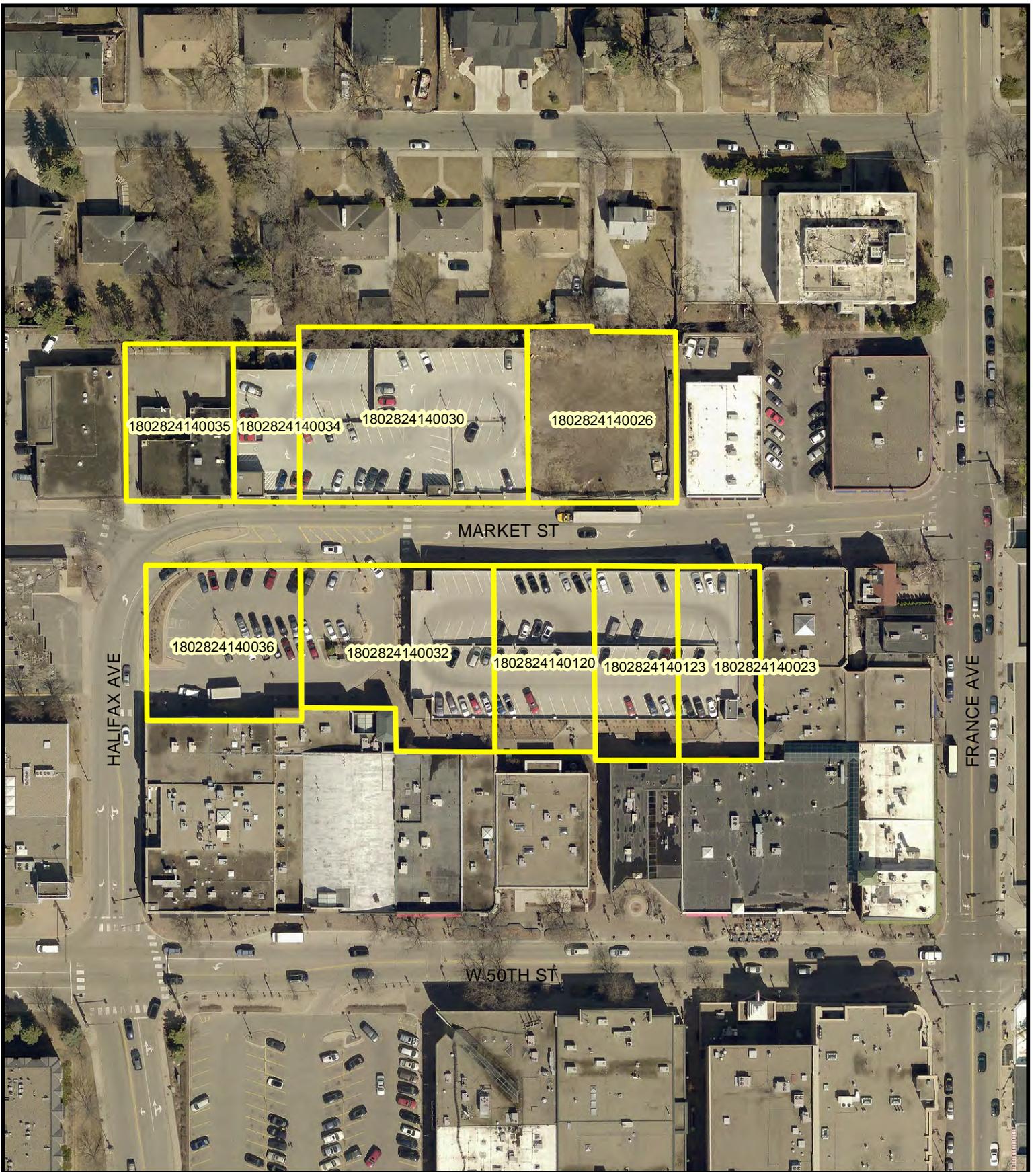


Southeast Edina Redevelopment Project Area and 50th and France 2 TIF District



- Project Area
- 50th and France 2 TIF District





City of Edina 50th and France 2 Tax Increment Financing Redevelopment District



 50th and France 2 TIF District



Appendix C

Description of Property to be Included in the District

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

<u>Parcel Numbers</u>	<u>Address</u>	<u>Owner</u>
18-028-24-14-0023	3925 49 ½ St. W.	Edina HRA
18-028-24-14-0026	3930 49 ½ St. W	Edina HRA
18-028-24-14-0030	3936 49 ½ St. W.	Edina HRA
18-028-24-14-0032	Unassigned	Edina HRA
18-028-24-14-0034	3940 49 ½ St. W.	Edina HRA
18-028-24-14-0035	3944 49 ½ St. W.	Edina HRA
18-028-24-14-0036	Unassigned	Edina HRA
18-028-24-14-0120	Unassigned	Edina HRA
18-028-24-14-0123	Unassigned	Edina HRA

The property within the TIF District will be undergoing a platting process in the close of 2017 to facilitate the new use of the property and vertical subdivision.

Appendix D

Estimated Cash Flow for the District



Market St. - 49 1/2 Street Redevelopment

City of Edina

110 housing units and 32,500' retail

ASSUMPTIONS AND RATES

DistrictType:	Redevelopment
District Name/Number:	
County District #: SD 273 / WD 3	
First Year Construction or Inflation on Value	2018
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	3%
Interest Rate:	6.00%
Present Value Date:	1-Feb-19
First Period Ending:	1-Aug-19
Tax Year District was Certified:	Pay 2017
Cashflow Assumes First Tax Increment For Development:	2020
Years of Tax Increment:	26
Assumes Last Year of Tax Increment:	2045
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	33.4335% Pay 2017 Final
Fiscal Disparities Metro-Wide Tax Rate	150.0490% Pay 2017 Final
Maximum/Frozen Local Tax Rate:	118.213% Pay 2017 Final
Current Local Tax Rate: (Use lesser of Current or Max.)	118.213% Pay 2017 Final
State-wide Tax Rate (Comm./Ind. only used for total taxes)	45.8020% Pay 2017 Final
Market Value Tax Rate (Used for total taxes)	0.18759% Pay 2017 Final

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$115,000	0.75%
Over \$115,000	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 #	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
C	1802824140036	HRA		898,400	0	898,400	100%	898,400	Pay 2017	Exempt	-	C/I Pref.	17,218	2
C	1802824140032	HRA		1,847,400	0	1,847,400	100%	1,847,400	Pay 2017	Exempt	-	Rental	23,093	2
C	1802824140120	HRA		1,511,300	0	1,511,300	100%	1,511,300	Pay 2017	Exempt	-	Exempt	-	2
C	1802824140123	HRA		1,290,900	0	1,290,900	100%	1,290,900	Pay 2017	Exempt	-	Exempt	-	2
C	1802824140023	HRA		1,071,000	0	1,071,000	100%	1,071,000	Pay 2017	Exempt	-	Exempt	-	2
N	1802824140026	HRA		962,000	0	962,000	100%	962,000	Pay 2017	Exempt	-	Exempt	-	1
N	1802824140030	HRA		3,494,400	0	3,494,400	100%	3,494,400	Pay 2017	Exempt	-	Exempt	-	1
N	1802824140034	HRA		890,000	0	890,000	100%	890,000	Pay 2017	Exempt	-	C/I Pref.	17,050	1
N	1802824140035	HRA		793,900	1,000	794,900	100%	794,900	Pay 2017	C/I Pref.	15,148	C/I Pref.	15,148	1
				12,759,300	1,000	12,760,300		12,760,300			15,148		72,509	

Note:

1. Base values are for pay 2017 based upon review of County website and affirmed by City Assessor on 3.20.2017. Conversion assumed for public and private elements.



Market St. - 49 1/2 Street Redevelopment

City of Edina
110 housing units and 32,500' retail

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 2018	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	First Year Full Taxes Payable
North	Retail	362	362	4,549	1,644,600	C/I Pref.	32,142	7.07	100%	100%	100%	100%	2020
North	Retail	362	362	4,250	1,536,503	C/I	30,730	7.23	100%	100%	100%	100%	2020
Center	Retail	362	362	23,724	8,576,938	C/I	171,539	7.23	100%	100%	100%	100%	2020
Center	Housing	370,734	370,734	110	40,780,790	Rental	509,760	4,634	100%	100%	100%	100%	2020
North	Parking Ramp	4,456,400	-	1	0	Exempt	0	-	100%	100%	100%	100%	2020
Center	Plaza/Parking	3,873,200	-	1	0	Exempt	0	-	100%	100%	100%	100%	2020
TOTAL					52,538,830		744,171						
Subtotal Residential				110	40,780,790		509,760						
Subtotal Commercial/Ind.				32,523	11,758,040		234,411						

Note:

1. Market values are based upon preliminary estimates provided by the City Assessor and adjusted for inflation.

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
Retail	32,142	10,746	21,396	25,293	16,125	14,722	3,085	59,224	13.02
Retail	30,730	10,274	20,456	24,182	15,416	14,075	2,882	56,555	13.31
Retail	171,539	57,351	114,187	134,984	86,055	78,568	16,089	315,697	13.31
Housing	509,760	0	509,760	602,602	0	0	76,501	679,103	6,173.66
Parking Ramp	0	0	0	0	0	0	0	0	0.00
Plaza/Parking	0	0	0	0	0	0	0	0	0.00
TOTAL	744,171	78,372	665,799	787,061	117,596	107,365	98,558	1,110,579	

Note:

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

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	1,110,579
less State-wide Taxes	(107,365)
less Fiscal Disp. Adj.	(117,596)
less Market Value Taxes	(98,558)
less Base Value Taxes	(66,184)
Annual Gross TIF	720,877

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	12,760,300
New Market Value - Est.	60,868,430
Difference	48,108,130
Present Value of Tax Increment	12,253,149
Difference	35,854,980
Value likely to occur without Tax Increment is less than:	35,854,980



**Market St. - 49 1/2 Street Redevelopment
City of Edina
110 housing units and 32,500' retail**

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
							-	-	-	-				08/01/19
														02/01/20
100%	744,171	(72,509)	(61,850)	609,812	118.213%	720,877	360,438	(1,298)	(35,914)	323,227	295,798	0.5	2020	08/01/20
							360,438	(1,298)	(35,914)	323,227	582,981	1	2020	02/01/21
100%	766,496	(72,509)	(64,201)	629,786	118.213%	744,489	372,244	(1,340)	(37,090)	333,814	870,932	1.5	2021	08/01/21
							372,244	(1,340)	(37,090)	333,814	1,150,496	2	2021	02/01/22
100%	789,491	(72,509)	(66,623)	650,359	118.213%	768,809	384,404	(1,384)	(38,302)	344,719	1,430,784	2.5	2022	08/01/22
							384,404	(1,384)	(38,302)	344,719	1,702,908	3	2022	02/01/23
100%	813,175	(72,509)	(69,117)	671,549	118.213%	793,859	396,929	(1,429)	(39,550)	355,950	1,975,714	3.5	2023	08/01/23
							396,929	(1,429)	(39,550)	355,950	2,240,574	4	2023	02/01/24
100%	837,571	(72,509)	(71,687)	693,376	118.213%	819,660	409,830	(1,475)	(40,835)	367,519	2,506,078	4.5	2024	08/01/24
							409,830	(1,475)	(40,835)	367,519	2,763,849	5	2024	02/01/25
100%	862,698	(72,509)	(74,333)	715,856	118.213%	846,235	423,118	(1,523)	(42,159)	379,435	3,022,226	5.5	2025	08/01/25
							423,118	(1,523)	(42,159)	379,435	3,273,077	6	2025	02/01/26
100%	888,579	(72,509)	(77,058)	739,012	118.213%	873,608	436,804	(1,572)	(43,523)	391,708	3,524,499	6.5	2026	08/01/26
							436,804	(1,572)	(43,523)	391,708	3,768,599	7	2026	02/01/27
100%	915,236	(72,509)	(79,866)	762,862	118.213%	901,802	450,901	(1,623)	(44,928)	404,350	4,013,237	7.5	2027	08/01/27
							450,901	(1,623)	(44,928)	404,350	4,250,750	8	2027	02/01/28
100%	942,693	(72,509)	(82,757)	787,427	118.213%	930,841	465,421	(1,676)	(46,375)	417,371	4,488,771	8.5	2028	08/01/28
							465,421	(1,676)	(46,375)	417,371	4,719,859	9	2028	02/01/29
100%	970,974	(72,509)	(85,736)	812,730	118.213%	960,752	480,376	(1,729)	(47,865)	430,782	4,951,426	9.5	2029	08/01/29
							480,376	(1,729)	(47,865)	430,782	5,176,247	10	2029	02/01/30
100%	1,000,103	(72,509)	(88,804)	838,791	118.213%	991,560	495,780	(1,785)	(49,400)	444,596	5,401,520	10.5	2030	08/01/30
							495,780	(1,785)	(49,400)	444,596	5,620,232	11	2030	02/01/31
100%	1,030,106	(72,509)	(91,963)	865,634	118.213%	1,023,292	511,646	(1,842)	(50,980)	458,824	5,839,369	11.5	2031	08/01/31
							511,646	(1,842)	(50,980)	458,824	6,052,123	12	2031	02/01/32
100%	1,061,009	(72,509)	(95,218)	893,283	118.213%	1,055,977	527,988	(1,901)	(52,609)	473,479	6,265,278	12.5	2032	08/01/32
							527,988	(1,901)	(52,609)	473,479	6,472,225	13	2032	02/01/33
100%	1,092,840	(72,509)	(98,570)	921,761	118.213%	1,089,642	544,821	(1,961)	(54,286)	488,573	6,679,549	13.5	2033	08/01/33
							544,821	(1,961)	(54,286)	488,573	6,880,835	14	2033	02/01/34
100%	1,125,625	(72,509)	(102,023)	951,094	118.213%	1,124,316	562,158	(2,024)	(56,013)	504,121	7,082,477	14.5	2034	08/01/34
							562,158	(2,024)	(56,013)	504,121	7,278,246	15	2034	02/01/35
100%	1,159,394	(72,509)	(105,579)	981,306	118.213%	1,160,031	580,016	(2,088)	(57,793)	520,135	7,474,350	15.5	2035	08/01/35
							580,016	(2,088)	(57,793)	520,135	7,664,743	16	2035	02/01/36
100%	1,194,175	(72,509)	(109,242)	1,012,425	118.213%	1,196,818	598,409	(2,154)	(59,625)	536,629	7,855,452	16.5	2036	08/01/36
							598,409	(2,154)	(59,625)	536,629	8,040,606	17	2036	02/01/37
100%	1,230,001	(72,509)	(113,015)	1,044,477	118.213%	1,234,708	617,354	(2,222)	(61,513)	553,618	8,226,059	17.5	2037	08/01/37
							617,354	(2,222)	(61,513)	553,618	8,406,110	18	2037	02/01/38
100%	1,266,901	(72,509)	(116,901)	1,077,491	118.213%	1,273,735	636,867	(2,293)	(63,457)	571,117	8,586,442	18.5	2038	08/01/38
							636,867	(2,293)	(63,457)	571,117	8,761,522	19	2038	02/01/39
100%	1,304,908	(72,509)	(120,904)	1,111,495	118.213%	1,313,932	656,966	(2,365)	(65,460)	589,141	8,936,867	19.5	2039	08/01/39
							656,966	(2,365)	(65,460)	589,141	9,107,105	20	2039	02/01/40
100%	1,344,055	(72,509)	(125,027)	1,146,520	118.213%	1,355,336	677,668	(2,440)	(67,523)	607,705	9,277,592	20.5	2040	08/01/40
							677,668	(2,440)	(67,523)	607,705	9,443,114	21	2040	02/01/41
100%	1,384,377	(72,509)	(129,273)	1,182,595	118.213%	1,397,981	698,991	(2,516)	(69,647)	626,827	9,608,871	21.5	2041	08/01/41
							698,991	(2,516)	(69,647)	626,827	9,769,801	22	2041	02/01/42
100%	1,425,908	(72,509)	(133,647)	1,219,753	118.213%	1,441,906	720,953	(2,595)	(71,836)	646,522	9,930,952	22.5	2042	08/01/42
							720,953	(2,595)	(71,836)	646,522	10,087,409	23	2042	02/01/43
100%	1,468,685	(72,509)	(138,152)	1,258,025	118.213%	1,487,149	743,574	(2,677)	(74,090)	666,808	10,244,076	23.5	2043	08/01/43
							743,574	(2,677)	(74,090)	666,808	10,396,180	24	2043	02/01/44
100%	1,512,746	(72,509)	(142,792)	1,297,445	118.213%	1,533,749	766,874	(2,761)	(76,411)	687,702	10,548,480	24.5	2044	08/01/44
							766,874	(2,761)	(76,411)	687,702	10,696,345	25	2044	02/01/45
100%	1,558,128	(72,509)	(147,572)	1,338,048	118.213%	1,581,747	790,873	(2,847)	(78,803)	709,224	10,844,396	25.5	2045	08/01/45
							790,873	(2,847)	(78,803)	709,224	10,988,134	26	2045	02/01/46
Total							28,622,810	(103,042)	(2,851,977)	25,667,791				
Present Value From 02/01/2019							12,253,149	(44,111)	(1,220,904)	10,988,134				
Present Value Rate							6.00%							

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

Redevelopment Qualifications for the District

Final Report of
Inspection Procedures and Results
For
Determining Qualifications of a
Tax Increment Financing (TIF) District
as a Redevelopment District



The CITY of
EDINA

Edina HRA
Proposed TIF District
Edina, Minnesota

Stantec Project No. 193804505

April 13, 2017

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CONCLUSION

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

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

PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

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

Interior Inspection

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

Exterior Inspection and Other Means

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

Documentation

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

Qualification Requirements

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

1. Coverage Test

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

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

2. Condition of Building Test

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

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

Definition of Substantial Renovation

Because "Substantial renovation" can mean different things to different people, Stantec has attempted to clarify exactly what we consider to be "substantial renovation" as it relates to *Minnesota Statutes, Section 469.174, Subdivision 10(a) (1)*.

- a. First, we researched national standards as to how much building owners should budget for annual maintenance and repair on their buildings as a percentage of replacement cost of the building.
 1. According to the University of California "*Facilities Renewal Budget Model*" report of 1999, building owners should budget between two and three percent of current replacement value of their buildings for maintenance and repair work. This does not include routine janitorial work and routine items such as changing light bulbs and filters.
 2. According to the Building Research Board of the National Research Council, one and one-half to three percent of a building's replacement value should be budgeted for maintenance and repair.
- b. Based on this information, Stantec utilized two and one-half percent as the desired amount of maintenance and repair that should be budgeted annually to keep a building in good working condition. We recognize through experience that only a small percentage of sophisticated building owners actually budget for and spend this amount of money every year on maintenance and repair. This is because most business owners are driven by other budgetary issues and tend to neglect the building maintenance and repair line items in their annual budgets.
- c. By establishing how much a building owner should be budgeting per year for maintenance and repairs, Stantec believes we could more easily establish an amount that would be considered "substantial" in comparison. If an owner is budgeting 2.5 percent of the building's replacement cost annually, most business owners or home owners would have to take out a loan to cover the cost of a substantial building

improvement. Assuming they had a fixed level of income to work with, they would have to keep the loan payment at a level very near the original 2.5 percent they should have been budgeting each year. In addition, they still would have to budget for the original 2.5 percent on top of the loan. In most cases, the mortgage terms would have to extend out to a point beyond the life expectancy of the building they were trying to improve, as most buildings built in the past fifty years are not designed to last beyond 40 years.

d. Based on the calculations described above, we have defined substantial renovation for purposes of *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, as renovation with costs exceeding 15 percent of the building's replacement value.

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

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

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

PART 3 – PROCEDURES FOLLOWED

Stantec performed interior and exterior inspections for both parking ramps and the one commercial building within the proposed TIF District on February 7, 2017. Visual observations were made of all levels of all properties and structures, with physical measurements taken where necessary. Area calculations and construction data are based upon information from various sources, as noted.

PART 4 – FINDINGS

A. Coverage Test

1. The total square foot area of each parcel in the proposed TIF District was obtained from Hennepin County Property Map GIS mapping, and site verification.
2. The total square foot area of buildings and site improvements on the parcels in the proposed TIF District was obtained from City records, Hennepin County Property Map GIS mapping, and site verification.
3. The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

Findings:

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 88.8 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities or paved drives or parking lots (Figure 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision 10(a) (1)*.



Figure 2 – Coverage Test Aerial View

B. Condition of Building Test

1. Replacement Cost

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

This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using *R.S. Means Cost Works square foot models for 2017*.

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

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

2. Code Deficiencies

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

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

The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. Stantec utilized the 2015 Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.

After identifying the code deficiencies in each building, we used *R.S. Means Cost Works 2017: Unit and Assembly Costs* to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

Finding:

Two (2) of the three (3) buildings/structures (67 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. A complete Building Code and Condition Deficiency report for each building/structure in the proposed TIF District can be found in Appendix B of this report.

3. System Condition Deficiencies

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

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

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

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

Finding:

In our professional opinion, two (2) of the three (3) buildings/structures (67 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance as described below:

Hooten Cleaners – 3944 49-1/2 Street West – Parcel 1802824 140035

This building was found to be structurally substandard with code deficiencies that exceed the 15 percent of the building replacement value criteria as defined by *Minnesota Statutes, Section 469.174, Subdivision 10 (b) and (c)*.

Edina Public Parking Ramp – 3925 49-1/2 Street West – Parcels 1802824 140032, 1802824 140120, 1802824 140123, and 1802824 140023

This parking ramp was found to be structurally substandard with significant code deficiencies that exceed the 15 percent of the building replacement value criteria as defined by *Minnesota Statutes, Section 469.174, Subdivision 10 (b) and (c)*.

50th & France Parking Ramp – 3936/3940 49-1/2 Street West – Parcels 1802824 140030 and 1802824 140034

This parking ramp has code and condition deficiencies, but they are not significant enough to reach the required 15 percent of building replacement value criteria as defined by *Minnesota Statutes, Section 469.174, Subdivision 10 (b) and (c)*.

C. Distribution of Substandard Structures

Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District.

Finding:

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



Figure 3 – Distribution of Substandard Structures (shown shaded green)

D. CONCLUSION

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

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

PART 5 – TEAM CREDENTIALS

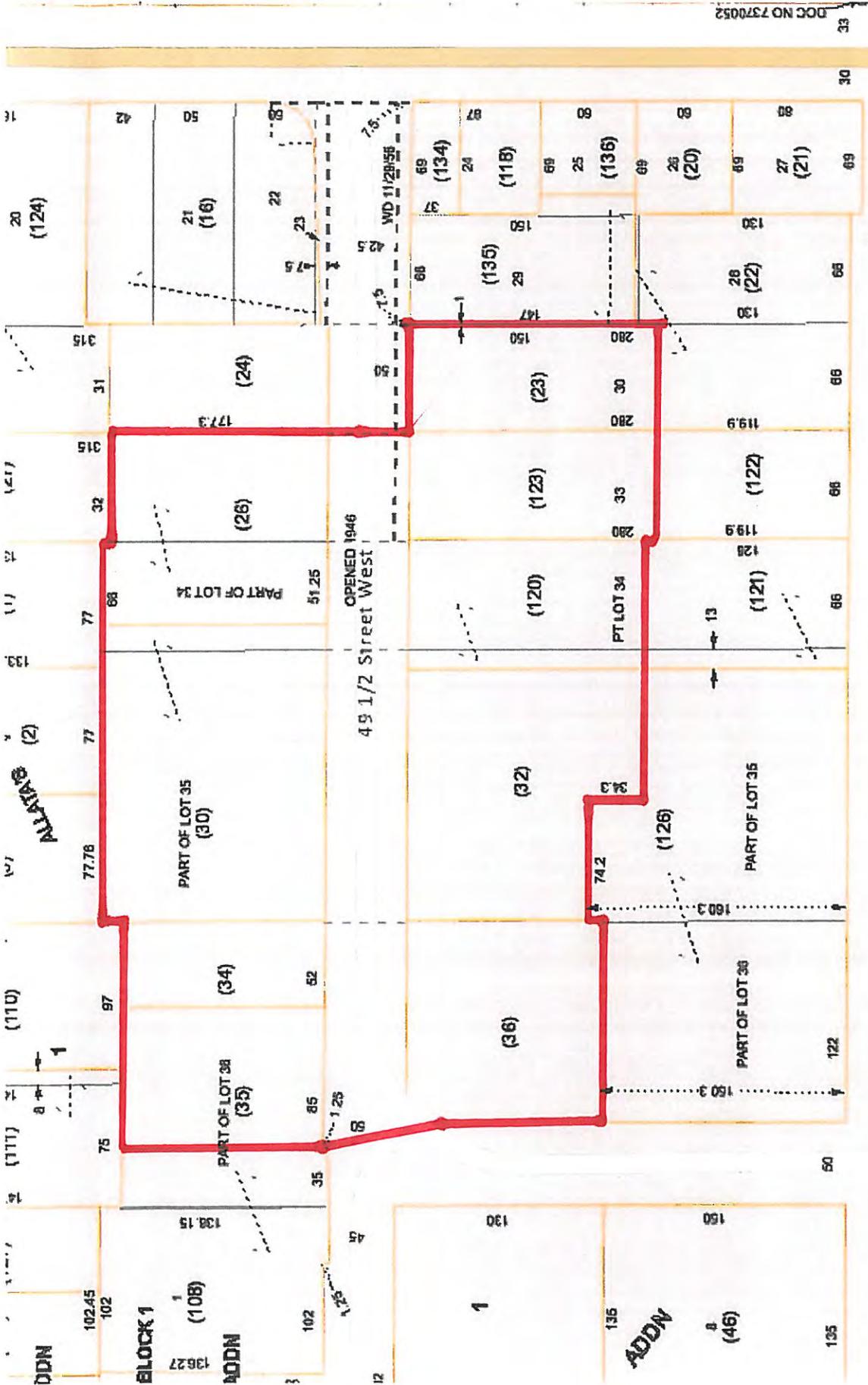
Bruce P. Paulson, AIA – Senior Project Manager/Inspector

Bruce has more than 41 years of architectural experience as project architect, project manager, and project designer for municipal, governmental, educational, commercial, hospitality, and healthcare clients. He is involved with all phases of the architectural process, from pre-design through construction administration, including specialty consulting in investigations for buildings, building condition surveys, TIF inspections, code reviews, estimating, and specification writing.

Philip J. Caswell, P.E. – Sr. Associate/Structural Team Leader

Phil has over 30 years of engineering experience that includes structural assessment, design, and construction of a wide variety of project types, including new buildings, additions, building renovations, and structure demolition, as well as design and construction of recreational facilities, dams, water and wastewater treatment and pumping facilities and flood control projects. Phil's project experience involves all levels of a structure's life cycle, from design and construction of new, to assessment and rehabilitation or expansion of existing structures, including historic structures, to renovation and repurposing of buildings, tanks, and facilities, to full demolition and site restoration.

APPENDIX A



DDN 102.45 102 (108) ADDN 102 135

102 135 136 ADDN 0 (46) 135

DDN 102.45 102 (108) ADDN 102 135

102 135 136 ADDN 0 (46) 135

DDN 102.45 102 (108) ADDN 102 135

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DDN 102.45 102 (108) ADDN 102 135

140.62 969°51'50"E 100.00 7, DOC 4278215

50th Street West

49 1/2 Street West

OPENED 1946

PT LOT 34

DOC NO 7370052

West

49th

49 1/2 Street West

Halifax Avenue

50th Street West





Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140035

OWNER NAME: House & Redev Auth Of Edina

PARCEL ADDRESS: 3944 49 1/2 St W, Edina MN 55424

PARCEL AREA: 0.24 acres, 10,585 sq ft

A-T-B: Abstract

SALE PRICE: \$1,550,000

SALE DATA: 11/2014

SALE CODE: Vacant Land

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Commercial-Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$794,900

TAX TOTAL: \$28,510.20

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Commercial-preferred

HOMESTEAD: Non-homestead

MARKET VALUE: \$794,900

Comments:

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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140034
OWNER NAME: Edina H R A
PARCEL ADDRESS: 3940 49 1/2 St W, Edina MN 55424
PARCEL AREA: 0.15 acres, 6,491 sq ft
A-T-B: Abstract
SALE PRICE: \$225,000
SALE DATA: 01/1998
SALE CODE: Excluded From Ratio Studies
ASSESSED 2015, PAYABLE 2016
PROPERTY TYPE: Vacant Land-Commercial
HOMESTEAD: Non-Homestead
MARKET VALUE: \$0
TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017
PROPERTY TYPE: Vacant Land-commercial
HOMESTEAD: Non-homestead
MARKET VALUE: \$0

Comments:

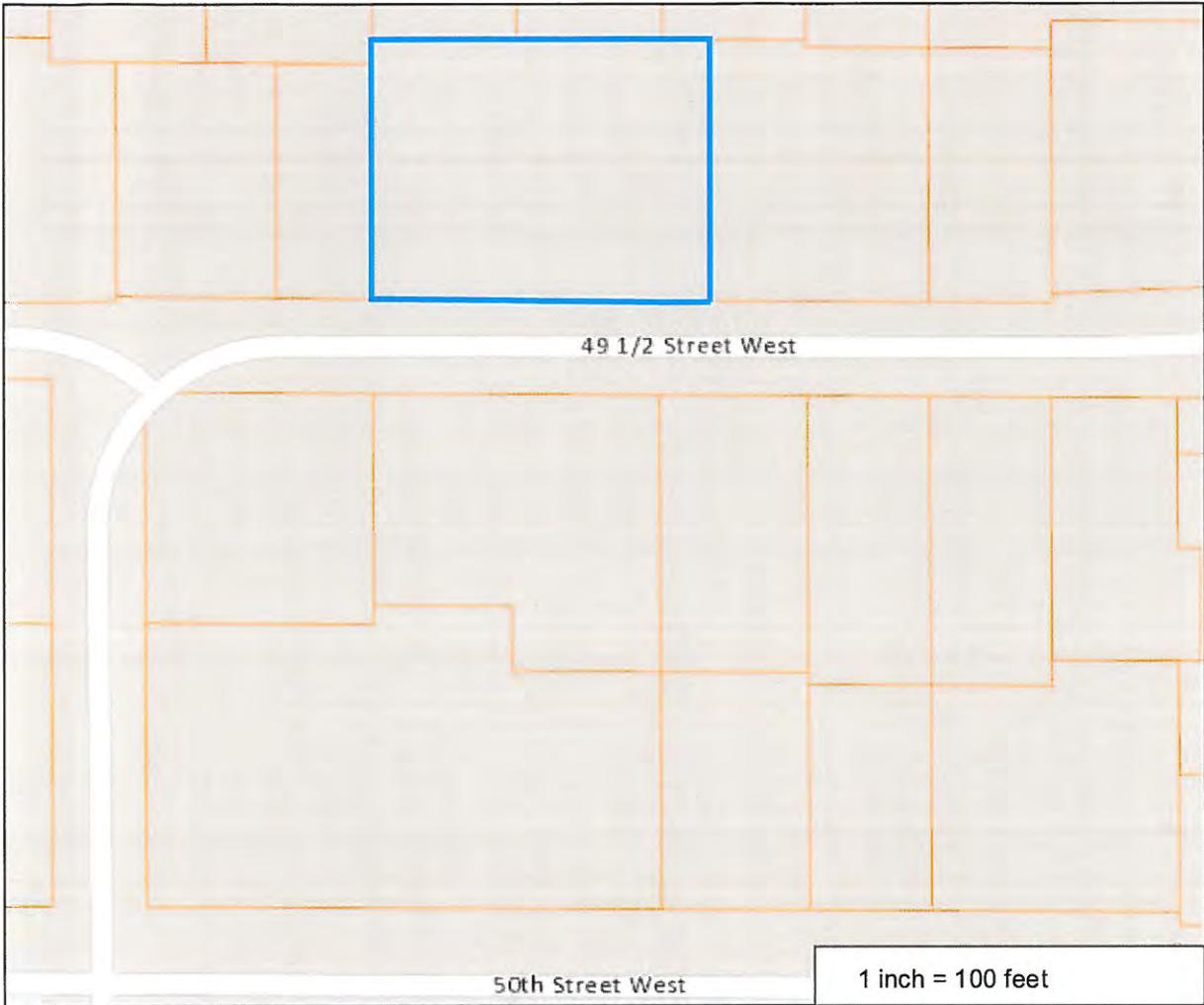
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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140030

OWNER NAME: Housing/Redevel Auth/Edina

PARCEL ADDRESS: 3936 49 1/2 St W, Edina MN 55424

PARCEL AREA: 0.57 acres, 24,952 sq ft

A-T-B: Torrens

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Commercial-Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Commercial-preferred

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140026

OWNER NAME: Housing/Re devel Auth Edina

PARCEL ADDRESS: 3930 49 1/2 St W, Edina MN 55424

PARCEL AREA: 0.37 acres, 16,034 sq ft

A-T-B: Abstract

SALE PRICE: \$2,650,000

SALE DATA: 06/2013

SALE CODE: Excluded From Ratio Studies

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Commercial-Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Commercial-preferred

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

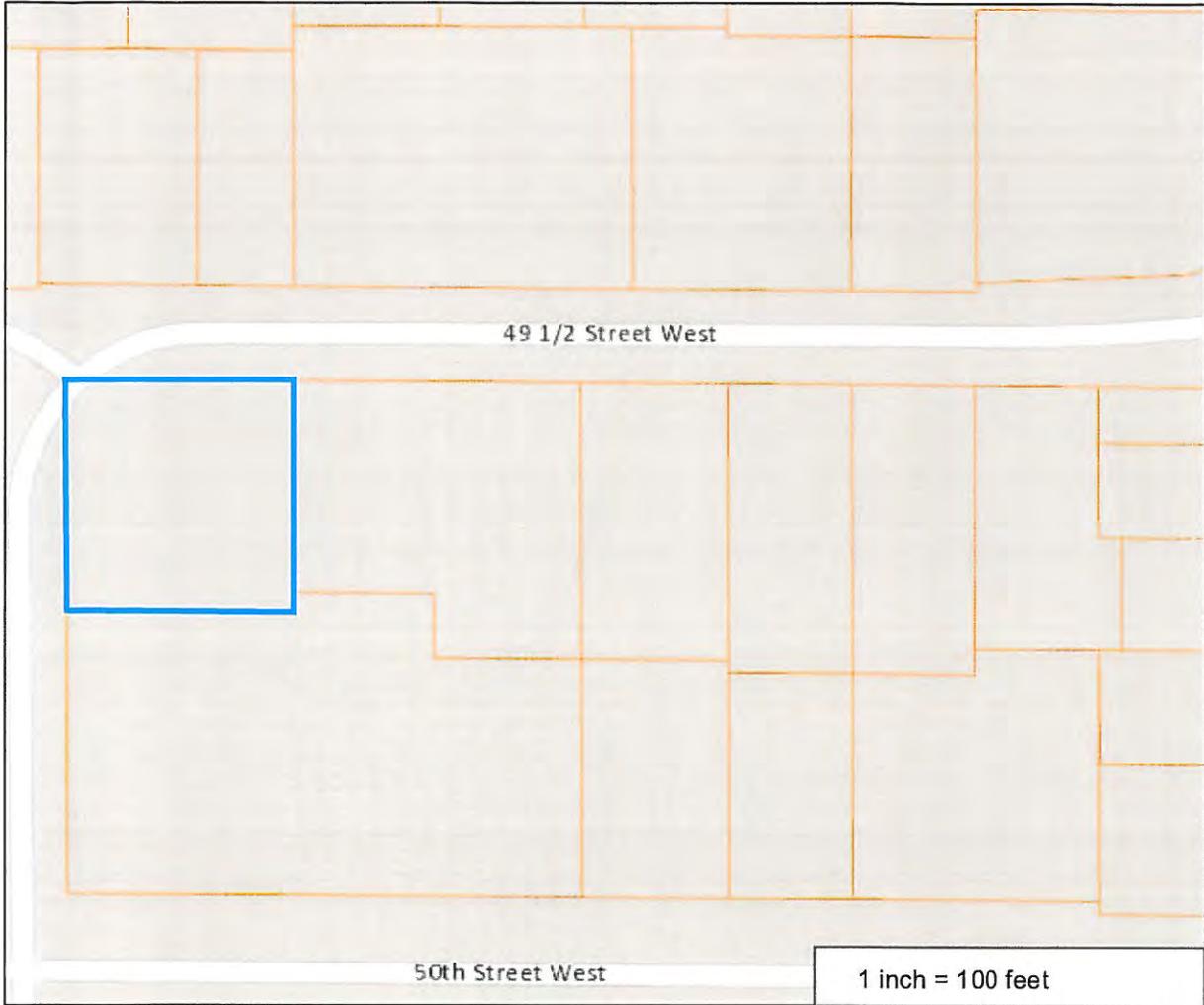
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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140036

OWNER NAME: Housing Redevel Auth Edina

PARCEL ADDRESS: 24 Address Unassigned, Edina MN 00000

PARCEL AREA: 0.34 acres, 14,973 sq ft

A-T-B: Abstract

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Vacant Land-Commercial

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Vacant Land-commercial

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

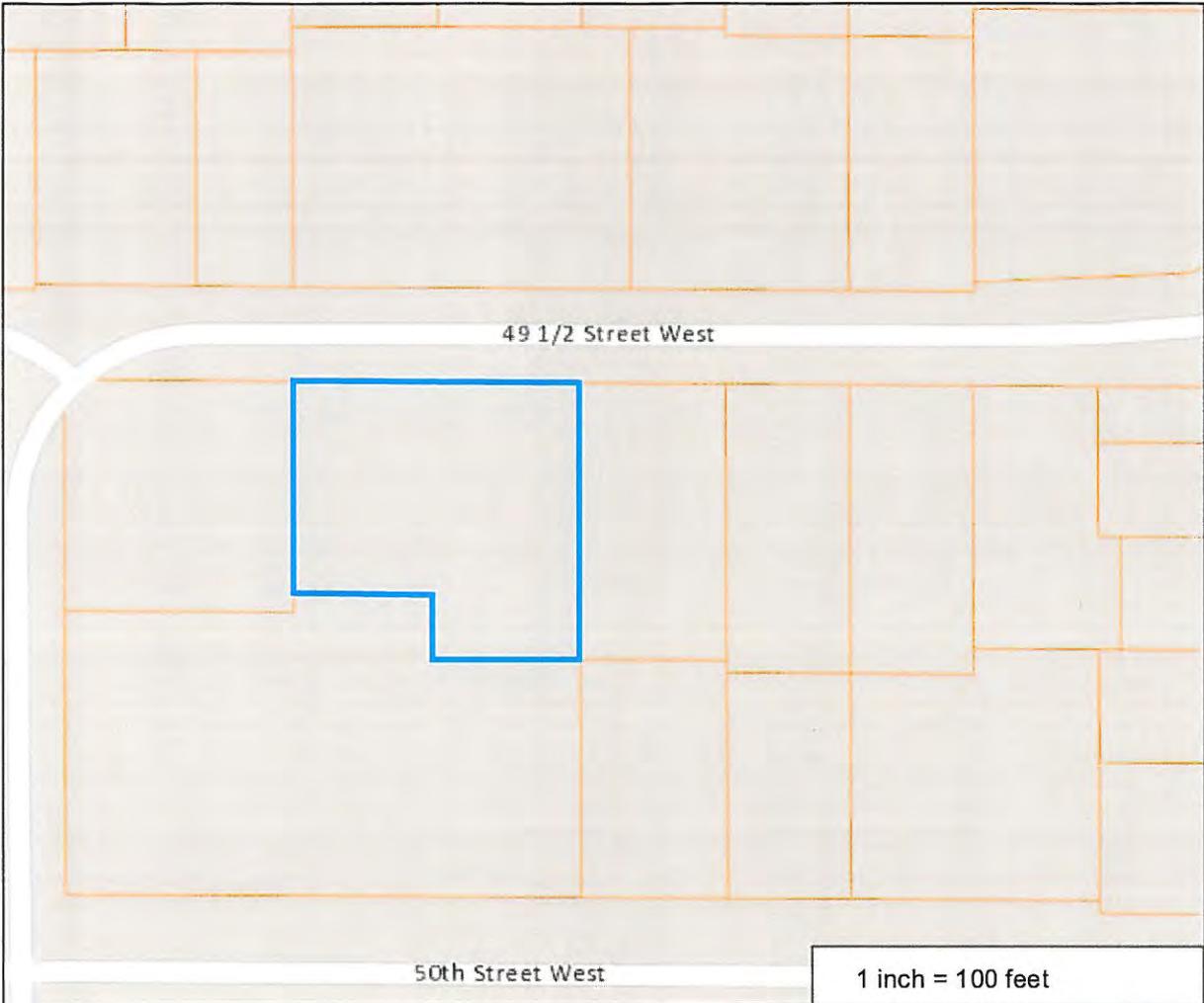
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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140032

OWNER NAME: Housing Redevel Auth Edina

PARCEL ADDRESS: 24 Address Unassigned, Edina MN 00000

PARCEL AREA: 0.46 acres, 19,822 sq ft

A-T-B: Torrens

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Vacant Land-Commercial

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Vacant Land-commercial

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

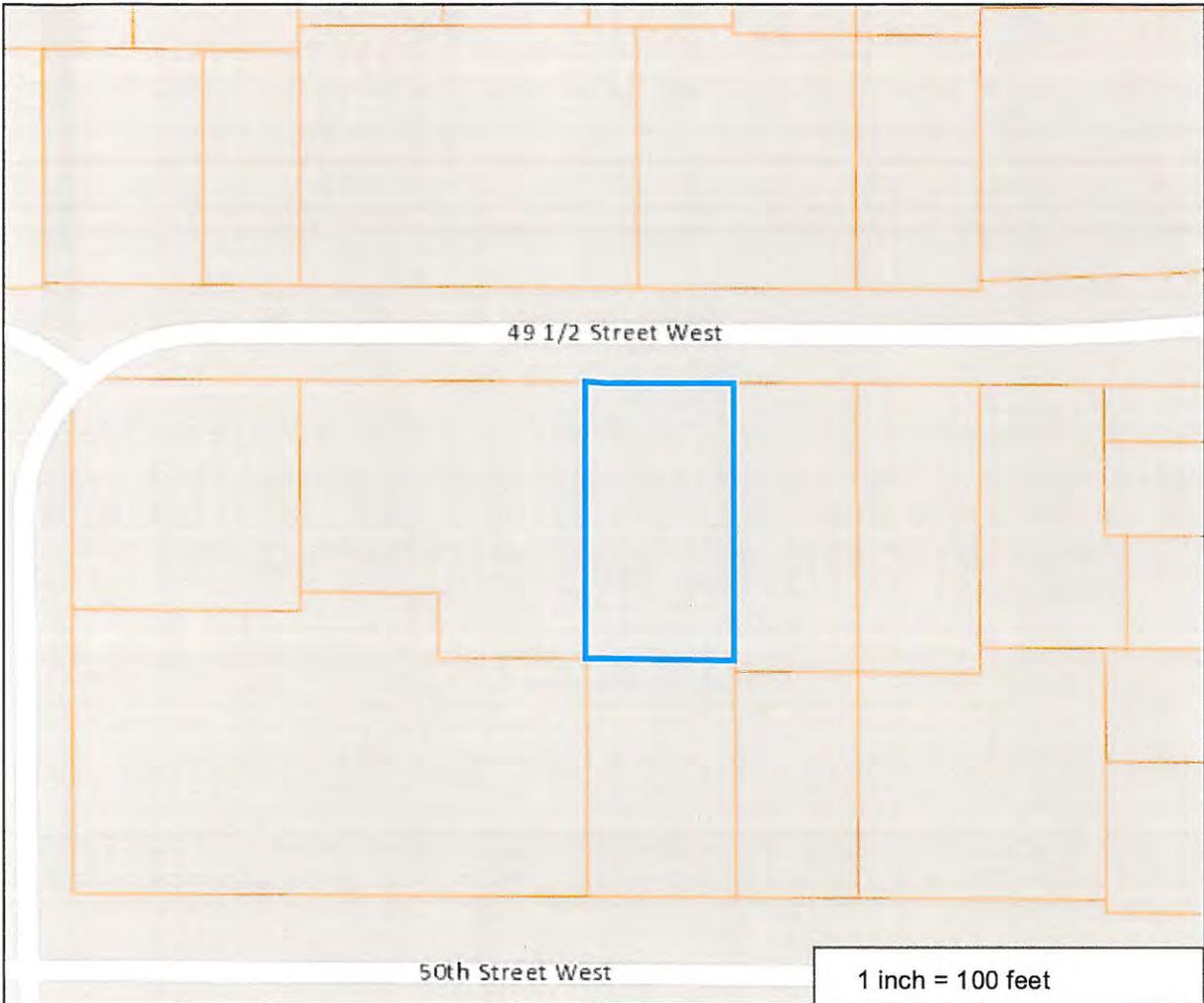
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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140120

OWNER NAME: City Of Edina

PARCEL ADDRESS: 24 Address Unassigned, Edina MN 00000

PARCEL AREA: 0.27 acres, 11,588 sq ft

A-T-B: Abstract

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Commercial-Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Commercial-preferred

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

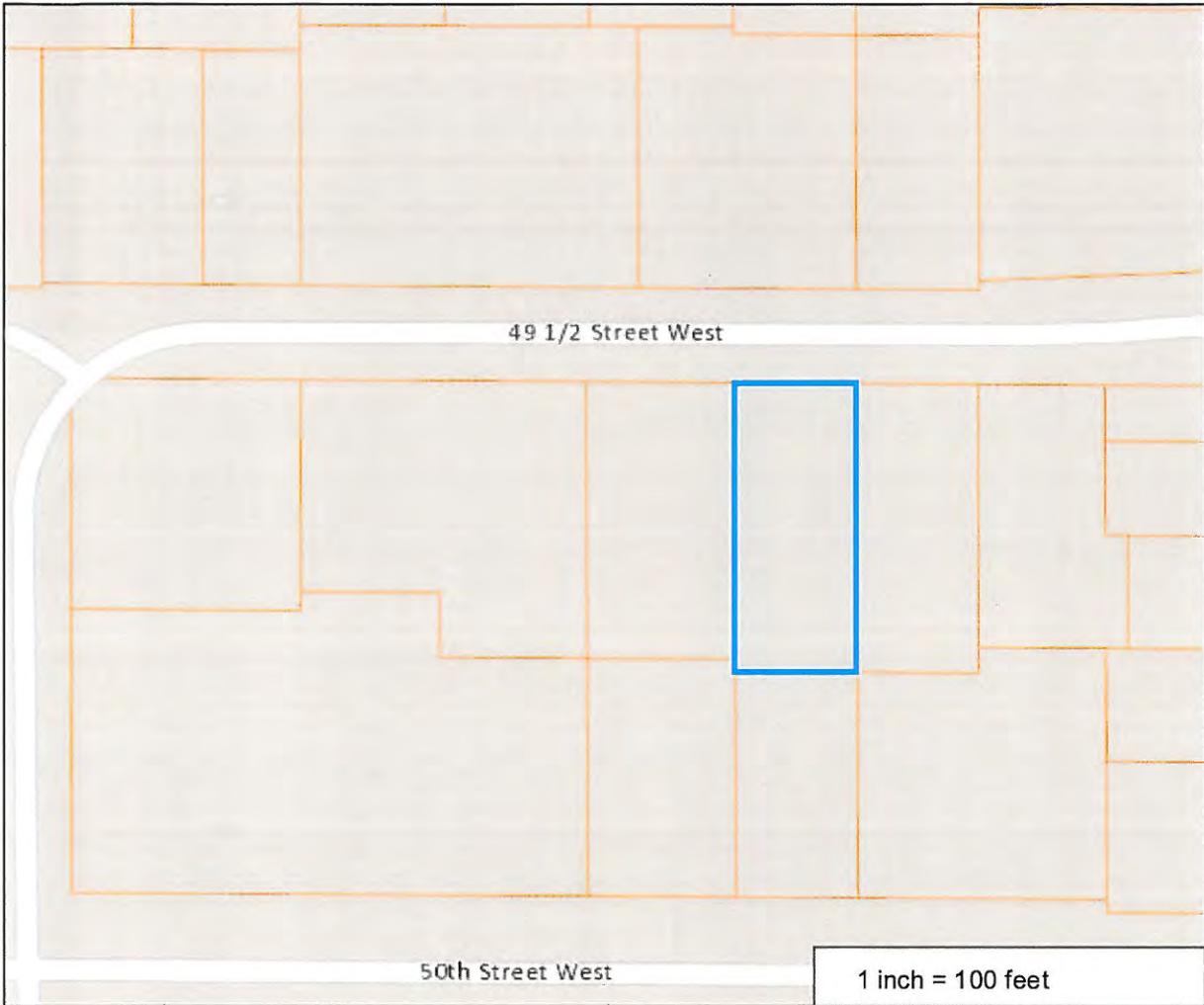
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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140123

OWNER NAME: Edina Housing & Redevel Auth

PARCEL ADDRESS: 24 Address Unassigned, Edina MN 00000

PARCEL AREA: 0.23 acres, 10,109 sq ft

A-T-B: Abstract

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Residential

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Residential

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

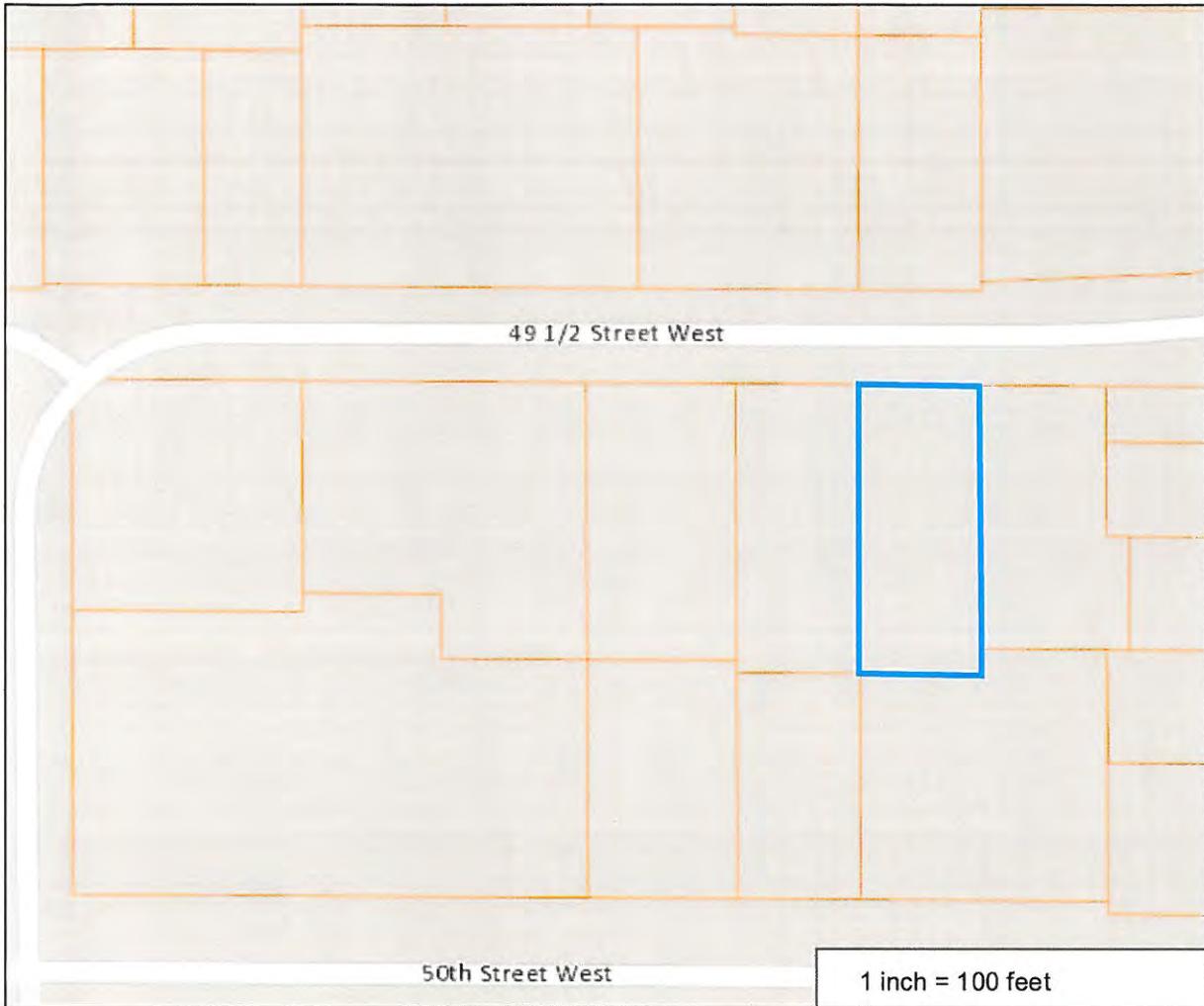
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Hennepin County Property Map

Date: 2/3/2017



PARCEL ID: 1802824140023

OWNER NAME: Housing & Redevel Auth/Edina

PARCEL ADDRESS: 3925 49 1/2 St W, Edina MN 55424

PARCEL AREA: 0.23 acres, 9,955 sq ft

A-T-B: Abstract

SALE PRICE:

SALE DATA:

SALE CODE:

ASSESSED 2015, PAYABLE 2016

PROPERTY TYPE: Commercial-Preferred

HOMESTEAD: Non-Homestead

MARKET VALUE: \$0

TAX TOTAL: \$0.00

ASSESSED 2016, PAYABLE 2017

PROPERTY TYPE: Commercial-preferred

HOMESTEAD: Non-homestead

MARKET VALUE: \$0

Comments:

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APPENDIX B

**CITY OF EDINA
PROPOSED TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

February 7, 2017

Property ID No.: 1802824 140035
Inspection Date(s) and Time(s): 2-7-17, 8:00 a.m.
Inspection Type: Interior and exterior.
General Description of Property: Commercial.
Type of Construction: Exterior masonry bearing walls; interior steel framing
Date of Construction: Original building constructed in 1949.
Structure Size(s): 3,880 SF – Main Level; 1,500 SF – Basement; 350 SF outbuilding

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

- o Substantial renovation is required to correct Conditions and Building Code deficiencies.

Estimated Replacement Cost: **\$1,575,750.00**
Estimated Cost to Correct Building Code Deficiencies: **\$336,391.20**

Percentage of Replacement Cost for Building Code Deficiencies: **21.3%**

Description of Condition Deficiencies

- Rear entrance doors are not on an accessible route. Grade is more than ½" below finish floor line.
- Door hardware does not comply with accessibility code.
- No drinking fountain.
- No Public restroom on main level.
- Staff restrooms in basement level with no accessible route.
- Clearances at staff restroom water closets, urinal, and sinks do not comply with accessibility code.
- Stairs to basement areas have treads and risers that do not comply with current code.
- Handrails at stairs to basement areas do not comply with current code for extension past top and bottom nosings.
- Basement areas are accessible by stair only.
- HVAC system does not comply with current code requirements.
- Exterior masonry walls have no insulation and do not comply with current energy code requirements.
- Exterior windows in east, north and west walls at the main and basement levels are single pane in steel frames which do not comply with current energy code requirements.
- Based on visual observation, we suspect the existing built-up roofing system does not have insulation in compliance with current energy code requirements.

**CITY OF EDINA
PROPOSED TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

February 7, 2017

Property ID No.: 1802824 140030 and 1802824 140034
Inspection Date(s) and Time(s): 2-7-17, 8:00 a.m.
Inspection Type: Interior and exterior.
General Description of Property: Commercial Parking Ramp
Type of Construction: Cast-In-Place and precast concrete.
Date of Construction: Original building constructed in 1991; expansion constructed in 1997.
Structure Size(s): 26,100 SF building footprint; 3 parking levels; 78,300 SF Total; 262 parking spaces

Summary of Deficiencies: It is our professional opinion that this building is **Not Substandard** because:

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

Estimated Replacement Cost: **\$2,369,880.00**
Estimated Cost to Correct Building Code Deficiencies: **\$10,900.00**

Percentage of Replacement Cost for Building Code Deficiencies: **0.005%**

Description of Condition Deficiencies

- Exit/entrance doors to both stairways swing out over the paver sidewalk. Current code requires outswinging doors to have a structural stoop with frost footings to prevent heaving which could restrict the door swing and access/egress capability.
- The current code requires 7 accessible parking spaces based on the total number of parking spaces provided (2015 Minnesota Accessibility Code, Table 1106.1). there are currently only 6 identified accessible parking spaces provided (two per parking level).
- Limited damage to face brick veneer on columns and bollards are grade.
- Limited damage to concrete wall at guardrails near east end of ramp at sidewalk level.

**CITY OF EDINA
PROPOSED TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

February 7, 2017

Property ID No. & Property Address: 1802824 140026 (Vacant)
Inspection Date(s) and Time(s): 2-7-17, 9:00 a.m.
Inspection Type: None
Summary of Conditions: Not Applicable.

- There are no buildings on this parcel that would require an inspection.

**CITY OF EDINA
PROPOSED TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

February 7, 2017

Property ID No.:	1802824 140036 and west half of 1802824 140032
Inspection Date(s) and Time(s):	2-7-17, 8:00 a.m.
Inspection Type:	Exterior.
General Description of Property:	On-grade paved parking lot.
Type of Construction:	Asphalt pavement and concrete curb and gutters.
Structure Size(s):	24,880 SF; 35 parking spaces; 3 accessible spaces.
Summary of Conditions:	Paved parking lot appears to be in good condition.

- There are no buildings on this parcel that would require an inspection.

**CITY OF EDINA
PROPOSED TIF DISTRICT
BUILDING CONDITION AND CODE DEFICIENCIES REPORT**

February 7, 2017

Property ID No.: East half of 1802824 140032, 1802824 140120, 1802824 140123, and 1802824 140023
Inspection Date(s) and Time(s): 2-7-17, 8:00 a.m.
Inspection Type: Interior and exterior.
General Description of Property: Commercial Parking Ramp
Type of Construction: Cast-In-Place and precast concrete.
Date of Construction: Constructed in 1977
Structure Size(s): 30,400 SF building footprint; 3 parking levels; 91,200 SF Total; 274 parking spaces

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

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

Estimated Replacement Cost: **\$2,751,200.00**
Estimated Cost to Correct Building Code Deficiencies: **\$2,751,200.00**

Percentage of Replacement Cost for Building Code Deficiencies: **100%**

Description of Condition Deficiencies

- Clearance height is 6'-8".
- All parking spaces are on sloped ramps adjacent to existing stairs (3).
- Stairs do not comply with minimum clear width for egress.
- No elevator.
- No accessible route from on-grade entrances to level parking spaces that could be striped to ADA compliance.

APPENDIX C

**CITY OF EDINA
PROPOSED TIF DISTRICT
ESTIMATED REPLACEMENT COSTS**

Property ID No. & Property Address: 1802824 140026 3930 49-1/2 Street West
Vacant lot.

Estimated Cost to Correct Building Code Deficiencies: **\$0.00**

Property ID No. & Property Address: 1802824 140030/1802824 140034 3936/3940 49-1/2 St. W.

West Stair stoop upgrade	
Demo existing paver sidewalk – 3 CY @ \$350/CY	\$1,050.00
New concrete footing – 2 CY @ \$375/CY	\$750.00
New 8" CMU walls – 56 SF @ \$11.15/SF	\$625.00
New concrete stoop/ramp – 2.5 CY @ \$350/CY	\$875.00
East Stair stoop upgrade	
Demo existing paver sidewalk – 3 CY @ \$350/CY	\$1,050.00
New concrete footing – 2 CY @ \$375/CY	\$750.00
New 8" CMU walls – 56 SF @ \$11.15/SF	\$625.00
New concrete stoop/ramp – 2.5 CY @ \$350/CY	\$875.00
Re-stripe parking to add one additional accessible parking space	\$800.00
Repair damaged face brick veneer at columns and bollards	\$2,000.00
Repair damaged concrete wall at guardrails	<u>\$1,500.00</u>
Estimated Cost to Correct Building Code Deficiencies:	\$10,900.00

Property ID No. & Property Address: 1802824 140035 3944 49-1/2 Street West

Front entrance stoop upgrade	
Demo existing paver sidewalk – 3 CY @ \$350/CY	\$1,050.00
New concrete footing – 2 CY @ \$375/CY	\$750.00
New 8" CMU walls – 56 SF @ \$11.15/SF	\$625.00
New concrete stoop/ramp – 2.5 CY @ \$350/CY	\$875.00
Rear entrance 1 stoop upgrade	
Demo existing pavement – 3 CY @ \$150/CY	\$450.00
New concrete footing – 2 CY @ \$375/CY	\$750.00
New 8" CMU walls – 56 SF @ \$11.15/SF	\$624.40
New concrete stoop/ramp – 2.5 CY @ \$350/CY	\$875.00
Rear entrance 2 stoop upgrade	
Demo existing pavement – 3 CY @ \$150/CY	\$450.00
New concrete footing – 2 CY @ \$375/CY	\$750.00
New 8" CMU walls – 56 SF @ \$11.15/SF	\$624.40
New concrete stoop/ramp – 2.5 CY @ \$350/CY	\$875.00
Outbuilding entrance 3 stoop upgrade	
Demo existing pavement – 3 CY @ \$150/CY	\$450.00
New concrete footing – 2 CY @ \$375/CY	\$750.00
New 8" CMU walls – 56 SF @ \$11.15/SF	\$624.40
New concrete stoop/ramp – 2.5 CY @ \$350/CY	\$875.00
Replace door knobs with lever handles – 12 @ \$275/door	\$3,300.00
Install new dual level drinking fountain	\$3,000.00
Insulate exterior single-wythe masonry walls - \$13/SF x 3,600 SF	\$46,800.00
Replace single pane glazing with thermally improved frames and insulated glass – 704 SF @ \$85/SF	\$59,840.00
Replace roofing system and insulation – 4,230 SF @ 15.50/SF	\$65,565.00
Restroom upgrade – demolition and new construction	
Male Restroom – 1 water closet, 1 lavatory 60 SF @ \$400/SF	\$24,000.00
Female Restroom – 1 water closet, 1 lavatory 60 SF @ \$400/SF	\$24,000.00
Upgrade stairs to basement level – 44 Risers @ \$600/riser	\$26,400.00
Replace handrails at stairs to basement level – 4 @ 26LF @ \$32/LF	\$3,328.00

**CITY OF EDINA
PROPOSED TIF DISTRICT
ESTIMATED REPLACEMENT COSTS**

HVAC System upgrade – 5,730 SF @ \$7.00/SF	\$40,110.00
Ventilation System upgrade – 5,730 SF @ \$5.00/SF	<u>\$28,650.00</u>
Estimated Cost to Correct Building Code Deficiencies:	\$336,391.20

Property ID No. & Property Address: 1802824 140036/1802824 140032 UNDEVELOPED
On-grade paved parking lot.

Property ID No. & Property Address: 1802824 140032/1802824 140120/1802824 140123/1802824
140023 3925 49-1/2 Street West

Replace entire parking ramp to comply with minimum headroom and provide accessible parking spaces adjacent to an accessible route on each level	
Replace stairs to comply with minimum egress width	
Add new holeless hydraulic passenger elevator	<u>\$2,751,200.00</u>
Estimated Cost to Correct Building Code Deficiencies:	\$2,751,200.00

APPENDIX D



Photo 1: Hooten Cleaners rear entrance north wall



Rth

Photo 2: Hooten Cleaners outbuilding entrance east wall



Photo 3: Hooten Cleaners second rear entrance north wall



Photo 4: Hooten Cleaners second rear entrance north wall



Photo 5: Hooten Cleaners west wall



Photo 6: Hooten Cleaners outbuilding second entrance



Photo 7: Hooten Cleaners outbuilding west wall



Photo 8: Hooten Cleaners west wall



Photo 9: Hooten Cleaners west wall



Photo 10: Hooten Cleaners south wall



Photo 11: Hooten Cleaners south wall



Photo 12: Hooten Cleaners south wall



Photo 13: Hooten Cleaners interior



Photo 14: Hooten Cleaners interior



Photo 15: Hooten Cleaners interior



Photo 16: Hooten Cleaners interior



Photo 17: Hooten Cleaners interior



Photo 18: Hooten Cleaners interior



Photo 19: Hooten Cleaners interior roof drain line broken



Photo 20: Hooten Cleaners interior



Photo 21: Hooten Cleaners interior



Photo 22: Hooten Cleaners interior



Photo 23: Hooten Cleaners interior



Photo 24: Hooten Cleaners interior basement water heaters



Photo 26: Hooten Cleaners interior boiler room electrical



Photo 25: Hooten Cleaners interior basement boilers



Photo 28: Hooten Cleaners interior water softener



Photo 27: Hooten Cleaners interior boiler room electrical



Photo 29: Hooten Cleaners interior boiler room



Photo 30: Hooten Cleaners interior boilers



Photo 31: Hooten Cleaners interior basement restroom



Photo 32: Hooten Cleaners interior basement restroom



Photo 33: Hooten Cleaners basement cleanup



Photo 34: Hooten Cleaners interior basement restroom



Photo 35: Hooten Cleaners interior basement restroom



Photo 36: Hooten Cleaners basement gas meter



Photo 37: Hooten Cleaners interior basement restroom



Photo 38: Hooten Cleaners interior basement restroom



Photo 39: Hooten Cleaners interior basement restroom



Photo 40: Hooten Cleaners interior basement restroom



Photo 41: Hooten Cleaners interior



Photo 42: Hooten Cleaners basement



Photo 43: Hooten Cleaners basement



Photo 44: Hooten Cleaners basement



Photo 45: Hooten Cleaners basement



Photo 46: Hooten Cleaners basement



Photo 47: Hooten Cleaners interior



Photo 48: Hooten Cleaners main level electrical



Photo 49: Hooten Cleaners outbuilding interior



Photo 50: Hooten Cleaners outbuilding interior



Photo 51: Hooten Cleaners outbuilding interior



Photo 52: Hooten Cleaners outbuilding interior



Photo 53: Hooten Cleaners roof



Photo 54: Hooten Cleaners roof



Photo 55: Hooten Cleaners roof



Photo 56: Hooten Cleaners roof



Photo 57: Hooten Cleaners roof



Photo 58: Hooten Cleaners outbuilding south wall



Photo 59: 50th & France Parking Ramp east stair



Photo 60: 50th & France Parking Ramp elevator - 3rd level



Photo 61: 50th & France Parking Ramp west stair roof plank



Photo 62: 50th & France Parking Ramp west stair roof

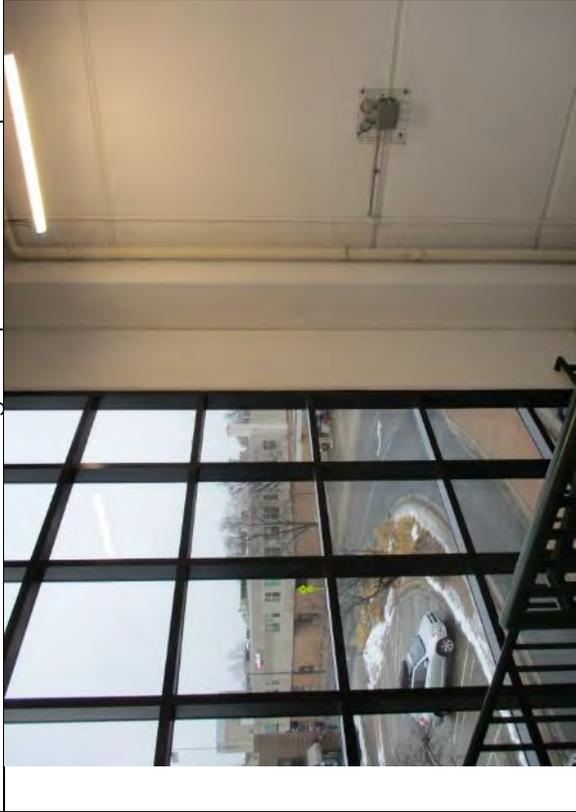


Photo 63: 50th & France Parking Ramp west stair windows



Photo 64: 50th & France Parking Ramp elevator – 2nd level



Photo 65: 50th & France Parking Ramp west stair



Photo 66: 50th & France Parking Ramp elevator – 1st level

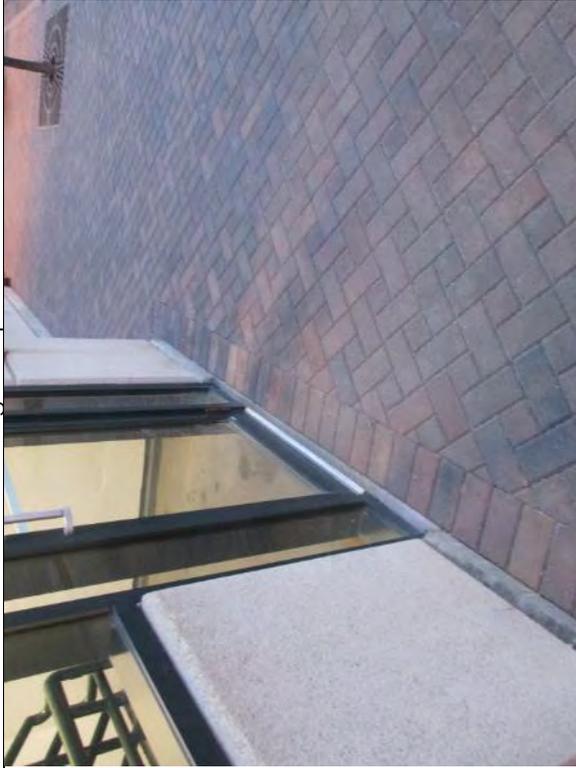


Photo 67: 50th & France Parking Ramp west stair entrance door



Photo 68: 50th & France Parking Ramp – 1st level accessible spaces



Photo 69: 50th & France Parking Ramp - 2nd level accessible spaces



Photo 70: 50th & France Parking Ramp - 3rd level accessible spaces



Photo 71: 50th & France Parking Ramp east stair entrance door



Photo 72: 50th & France Parking Ramp concrete spall



Photo 73: 50th & France Parking Ramp concrete spall



Photo 74: 50th & France Parking Ramp face brick damage



Photo 75: 50th & France Parking Ramp face brick damage



Photo 76: 50th & France Parking Ramp face brick damage



Photo 77: On-grade parking lot



Photo 78: On-grade parking lot



Photo 79: Edina Public Parking Ramp north and west sides

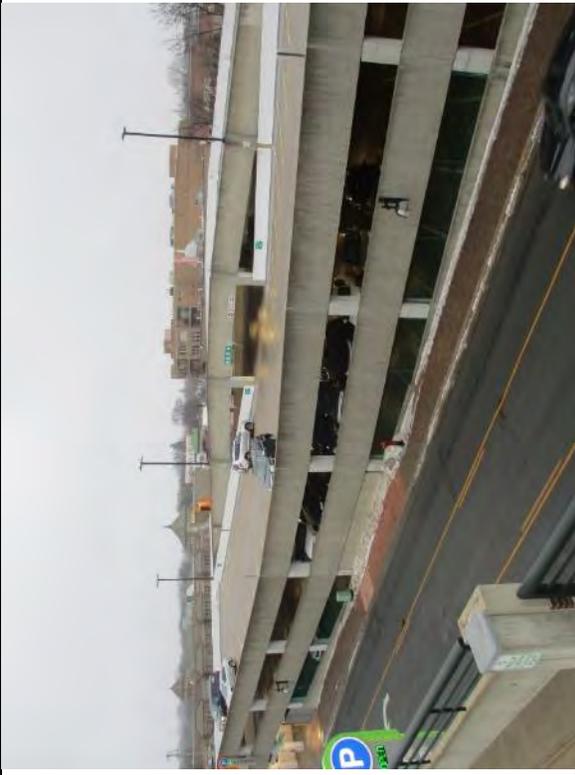


Photo 80: Edina Public Parking Ramp north side



Photo 81: Edina Public Parking Ramp northwest stair



Photo 82: Edina Public Parking Ramp northwest stair



Photo 83: Edina Public Parking Ramp west wall



Photo 84: Edina Public Parking Ramp west entrance



Photo 85: Edina Public Parking Ramp southwest stair



Photo 86: Edina Public Parking Ramp trash room



Photo 87: Edina Public Parking Ramp trash room



Photo 88: Edina Public Parking Ramp precast double tee deterioration



Photo 89: Edina Public Parking Ramp non-compliant accessible parking spaces



Photo 90: Edina Public Parking Ramp



Photo 91: Edina Public Parking Ramp



Photo 92: Edina Public Parking Ramp leaks at precast double tees

	
	
<p>Photo 93: Edina Public Parking Ramp</p>	<p>Photo 94: Edina Public Parking Ramp stairs</p>
<p>Photo 95: Edina Public Parking Ramp precast double tee deterioration</p>	<p>Photo 96: Edina Public Parking Ramp</p>



Photo 97: Edina Public Parking Ramp precast double tee deterioration

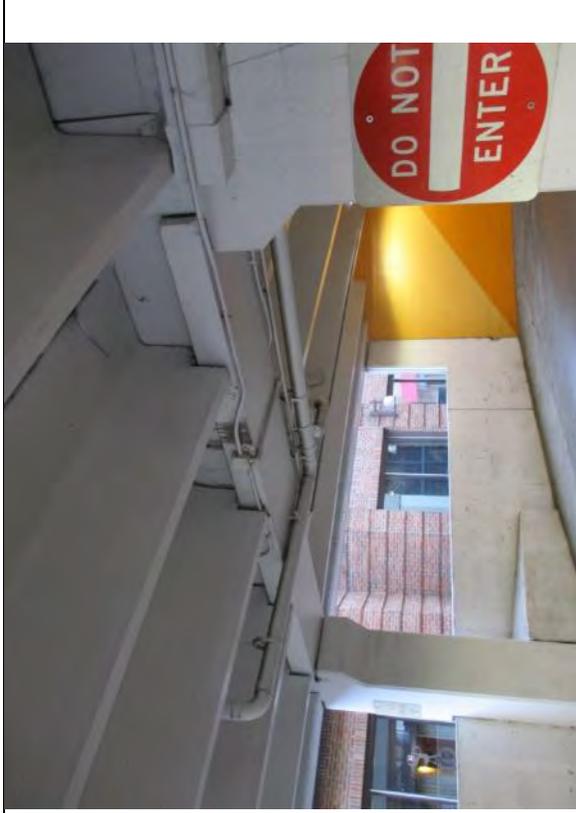


Photo 98: Edina Public Parking Ramp



Photo 99: Edina Public Parking Ramp trash enclosure



Photo 100: Edina Public Parking Ramp west side



Photo 101: Edina Public Parking Ramp



Photo 102: Edina Public Parking Ramp stairs

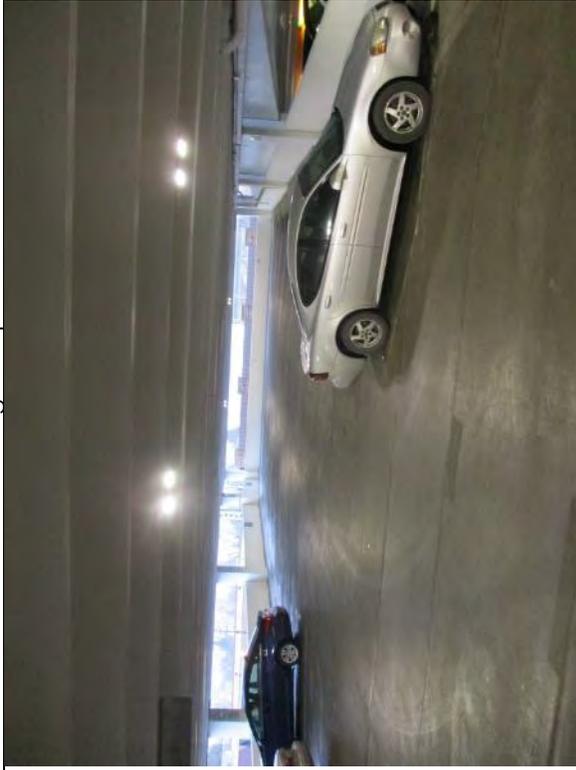


Photo 103: Edina Public Parking Ramp



Photo 104: Edina Public Parking Ramp deteriorated caulk joint



Photo 105: Edina Public Parking Ramp



Photo 106: Edina Public Parking Ramp



Photo 107: Edina Public Parking Ramp



Photo 108: Edina Public Parking Ramp



Photo 107: Edina Public Parking Ramp



Photo 108: Edina Public Parking Ramp



Photo 109: Edina Public Parking Ramp



Photo 110: Edina Public Parking Ramp



Photo 111: Edina Public Parking Ramp



Photo 112: Edina Public Parking Ramp



Photo 113: Edina Public Parking Ramp

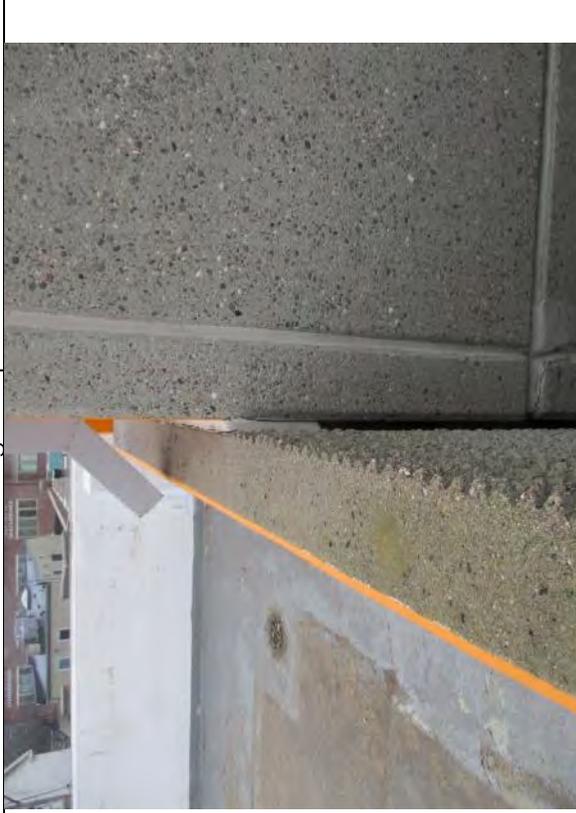


Photo 114: Edina Public Parking Ramp



Photo 115: Edina Public Parking Ramp southeast stair



Photo 116: Edina Public Parking Ramp southeast stair caulking

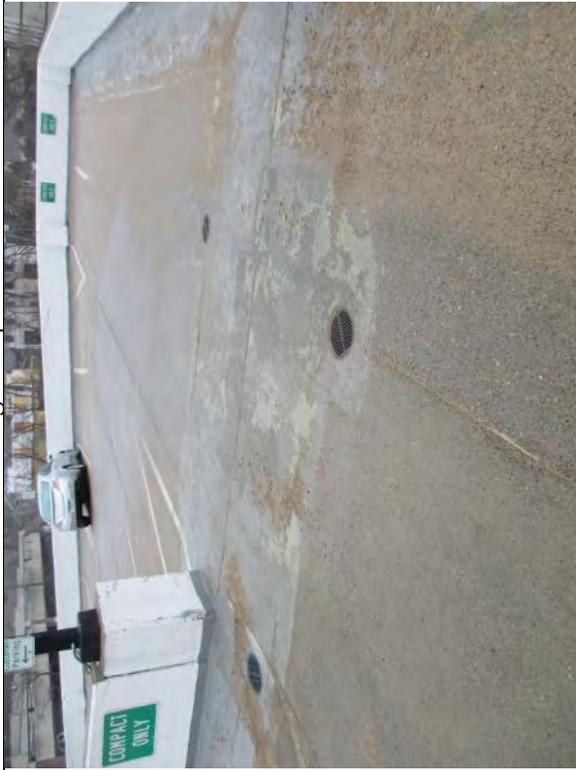


Photo 117: Edina Public Parking Ramp

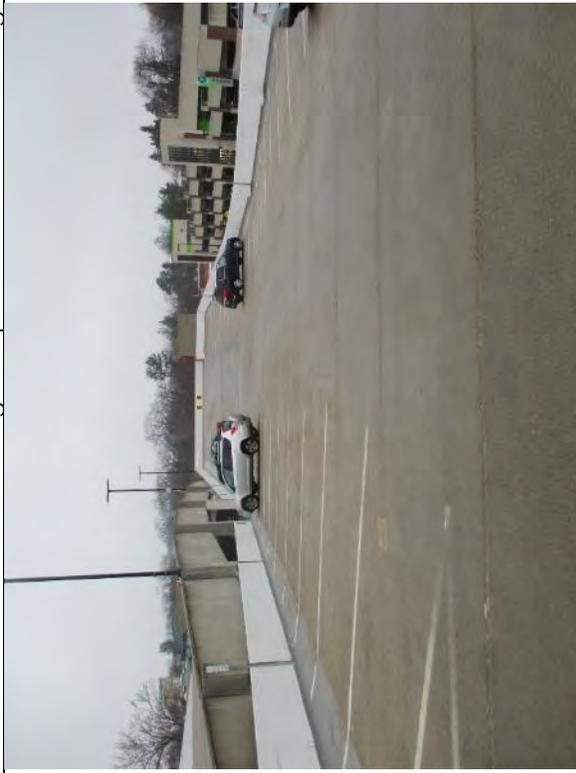


Photo 118: Edina Public Parking Ramp



Photo 119: Edina Public Parking Ramp



Photo 120: Edina Public Parking Ramp



Photo 122: Edina Public Parking Ramp south side

Appendix G

Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for 50th and France 2 Tax Increment Financing District (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that 50th and France 2 Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

The District consists of nine parcels, with plans to redevelop the area for rental housing and commercial/industrial purposes. At least 70 percent of the area of the parcels in the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50 percent of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix F of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. The existing property contains vacant or substandard buildings with high costs related to demolition, remediation and reconstruction of infrastructure. The redevelopment also requires district-wide parking, transportation and utility infrastructure investment. With limited amounts of property available for expansion adjacent to the existing project and height/density limitations, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The developer was asked for and provided its proforma as justification that the developer would not have gone forward without tax increment assistance.

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

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
- b. If the proposed development occurs, the total increase in market value will be \$48,108,130.
- c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$12,253,149.
- d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$35,854,980 (the amount in clause b less the amount in clause c) without similar tax increment assistance.

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

The Planning Commission reviewed the TIF Plan and found that the TIF Plan conforms to the general development plan of the City.

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

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State and add a high quality development to the City which also expands the availability of safe and decent life-cycle housing in the City.

But-For Analysis	
Current Market Value	12,760,300
New Market Value - Estimate	60,868,430
Difference	48,108,130
Present Value of Tax Increment	12,253,149
Difference	35,854,980
Value Likely to Occur Without TIF is Less Than:	35,854,980