



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 Grandview 2 Redevelopment
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

Public Hearing: March 2, 2016
Adopted: March 2, 2016



EHLERS

Prepared by: EHLERS & ASSOCIATES, INC.
3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105
651-697-8500 fax: 651-697-8555 www.ehlers-inc.com

Table of Contents
(for reference purposes only)

Section 1 - Modification to the Redevelopment Plan	
for the Southeast Edina Redevelopment Project Area	1-1
Foreword	1-1
Section 2 - Tax Increment Financing Plan	
for the Grandview 2 Redevelopment Tax Increment Financing District	2-1
Subsection 2-1. Foreword	2-1
Subsection 2-2. Statutory Authority	2-1
Subsection 2-3. Statement of Objectives	2-1
Subsection 2-4. Redevelopment Plan Overview	2-1
Subsection 2-5. Description of Property in the District and Property To Be Acquired ..	2-2
Subsection 2-6. Classification of the District	2-2
Subsection 2-7. Duration and First Year of Tax Increment of the District	2-4
Subsection 2-8. Original Tax Capacity, Tax Rate and Estimated Captured Net Tax Capacity	
Value/Increment and Notification of Prior Planned Improvements	2-4
Subsection 2-9. Sources of Revenue/Bonds to be Issued	2-5
Subsection 2-10. Uses of Funds	2-6
Subsection 2-11. Fiscal Disparities Election	2-7
Subsection 2-12. Business Subsidies	2-7
Subsection 2-13. County Road Costs	2-8
Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions	2-9
Subsection 2-15. Supporting Documentation	2-11
Subsection 2-16. Definition of Tax Increment Revenues	2-11
Subsection 2-17. Modifications to the District	2-12
Subsection 2-18. Administrative Expenses	2-12
Subsection 2-19. Limitation of Increment	2-13
Subsection 2-20. Use of Tax Increment	2-14
Subsection 2-21. Excess Increments	2-14
Subsection 2-22. Requirements for Agreements with the Developer	2-15
Subsection 2-23. Assessment Agreements	2-15
Subsection 2-24. Administration of the District	2-15
Subsection 2-25. Annual Disclosure Requirements	2-15
Subsection 2-26. Reasonable Expectations	2-15
Subsection 2-27. Other Limitations on the Use of Tax Increment	2-16
Subsection 2-28. Summary	2-16
Appendix A	
Project Description	A-1
Appendix B	
Map of the Southeast Edina Redevelopment Project Area and the District	B-1
Appendix C	
Description of Property to be Included in the District	C-1
Appendix D	
Estimated Cash Flow for the District	D-1

Appendix E	
Minnesota Business Assistance Form	E-1
Appendix F	
Redevelopment Qualifications for the District	F-1
Appendix G	
Findings Including But/For Qualifications	G-1

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

Foreword

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

For further information, a review of the Redevelopment Plan for the Southeast Edina Redevelopment Project Area, most recently modified on February 18, 2014, 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 Grandview 2 Redevelopment Tax Increment Financing District

Subsection 2-1. Foreword

The Edina Housing and Redevelopment Authority (the "HRA"), the City of Edina (the "City"), staff and consultants have prepared the following information to expedite the establishment of the Grandview 2 Redevelopment 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 redevelopment to occur or to promote a greater degree of development that allows fulfillment of City objectives. 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 a separate document: 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 fifteen parcels of land and adjacent and internal rights-of-way. As a part of the City's vision for the Grandview Area featuring 74,000 square feet of civic use, the District is being created to facilitate the multi-phased construction of approximately 68,000 square feet of mixed-use development and 321 units of housing in the City. Please see Appendix A for further District information. The HRA has not entered into an agreement or designated a developer at the time of preparation of this TIF Plan, but development is likely to occur in phases starting by 2018. 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

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

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 may acquire any parcel within the District including interior and adjacent street rights of way. Any properties identified for acquisition will be acquired by the HRA or City only in order to accomplish one or more of the following: storm sewer improvements; provide land for needed public streets, utilities and facilities; or to carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this plan.

The HRA or City may acquire property by gift, dedication, condemnation or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

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.*

(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 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 fifteen 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 2015 for taxes payable 2016.

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 2016, assuming the request for certification is made before June 30, 2016. The ONTC and the Original Local Tax Rates for the District appear in the tables on the following page.

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.

Tax Increment District Parcels in Watershed No. 1 (Nine Mile Creek Watershed)

Project Estimated Tax Capacity upon Completion (PTC)	\$371,572	
Original Estimated Net Tax Capacity (ONTC)	\$46,817	
Fiscal Disparities Reduction	\$103,651	
Estimated Captured Tax Capacity (CTC)	\$221,104	
Original Local Tax Rate	1.18106	Estimated Pay 2016
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$261,137	
Percent Retained by the HRA	100%	

Tax capacity includes a 2% 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 \$89,940.

Tax Increment District Parcels in Watershed No. 3 (Minnehaha Creek Watershed)

Project Estimated Tax Capacity upon Completion (PTC)	\$1,207,886	
Original Estimated Net Tax Capacity (ONTC)	\$10,379	
Fiscal Disparities Reduction	\$15,703	
Estimated Captured Tax Capacity (CTC)	\$1,181,804	
Original Local Tax Rate	1.18593	Estimated Pay 2016
Estimated Annual Tax Increment (CTC x Local Tax Rate)	\$1,401,537	
Percent Retained by the HRA	100%	

Tax capacity includes a 2% 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 \$187,219.

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. Sources of Revenue/Bonds to be Issued

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

<u>SOURCES OF FUNDS</u>	<u>TOTAL</u>
Tax Increment	\$32,479,295
<u>Interest</u>	<u>\$3,247,929</u>
TOTAL	\$35,727,224

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. The projects within the District are anticipated to be financed by a pay-as-you-go note and/or a possible bond issue. Any refunding amounts will be deemed a budgeted cost without a formal TIF Plan Modification. This provision does not obligate the HRA or City to incur debt. The HRA or City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The HRA or City may issue bonds (as defined in the TIF Act) secured in whole or in part with tax increments from the District in a maximum principal amount of \$21,170,290. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

Subsection 2-10. Uses of Funds

The conceptual development program for this portion of the Grandview area included in the District is the construction of approximately 68,000 square feet of mixed-use development and 321 units of housing in the City. The HRA and City have determined that it will be necessary to provide assistance to the project(s) for certain District costs, as described.

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

<u>USES OF TAX INCREMENT FUNDS</u>	<u>TOTAL</u>
Land/Building Acquisition	\$1,500,000
Site Improvements/Preparation	\$1,500,000
Utilities	\$1,200,000
Other Qualifying Improvements	\$13,800,000
<u>Administrative Costs (up to 10%)</u>	<u>\$3,170,290</u>
PROJECT COST TOTAL	\$21,170,290
<u>Interest</u>	<u>\$14,556,934</u>
PROJECT AND INTEREST COSTS TOTAL	\$35,727,224

The project costs 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*. 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 HRA or 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 HRA will choose to calculate fiscal disparities by clause b.

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

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

Subsection 2-12. Business Subsidies

M.S., Section 116J.993 to 116J.995 defines a business subsidy as a “grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease or other obligation, or any preferential use of government facilities given to a business.” Also included in the definition are many forms of economic assistance.

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

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

- (17) Redevelopment when the recipient's investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current year's estimated market value;
- (18) General changes in tax increment financing law and other general tax law changes of a principally technical nature;
- (19) Federal assistance until the assistance has been repaid to, and reinvested by, the state or local government agency;
- (20) Funds from dock and wharf bonds issued by a seaway port authority;
- (21) Business loans and loan guarantees of \$150,000 or less;
- (22) Federal loan funds provided through the United States Department of Commerce, Economic Development Administration; and
- (23) Property tax abatements granted under *M.S., Section 469.1813* to property that is subject to valuation under Minnesota Rules, chapter 8100.

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

Subsection 2-13. County Road Costs

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

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

Subsection 2-14. Estimated Impact on Other Taxing Jurisdictions

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

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

**IMPACT ON TAX BASE IF “BUT FOR” IS NOT MET FOR PARCELS
IN WATERSHED NO. 1
(Nine Mile Creek Watershed)**

	Estimated 2015/Pay 2016 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,467,566,893	221,104	0.0151%
City of Edina	112,555,594	221,104	0.1964%
Edina ISD No. 273	93,768,481	221,104	0.2358%

IMPACT OF TAX RATES IF “BUT FOR” IS NOT MET

	Estimated Pay 2016 Extension Rates	Percent of Total Rate	CTC	Potential Annual Taxes
Hennepin County	0.453140	38.37%	221,104	100,191
City of Edina	0.271220	22.96%	221,104	59,968
Edina ISD No. 273	0.348980	29.55%	221,104	77,161
Other	<u>0.107720</u>	<u>9.12%</u>	<u>221,104</u>	<u>23,817</u>
Total	1.181060	100.00%		261,137

**IMPACT ON TAX BASE IF “BUT FOR” IS NOT MET FOR PARCELS
IN WATERSHED NO. 3
(Minnehaha Creek Watershed)**

	Estimated 2015/Pay 2016 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) Upon Completion	Percent of CTC to Entity Total
Hennepin County	1,467,566,893	1,181,804	0.0805%
City of Edina	112,555,594	1,181,804	1.0500%
Edina ISD No. 273	93,768,481	1,181,804	1.2603%

IMPACT OF TAX RATES IF “BUT FOR” IS NOT MET

	<u>Estimated Pay 2016 Extension Rates</u>	<u>Percent of Total Rate</u>	<u>CTC</u>	<u>Potential Annual Taxes</u>
Hennepin County	0.453140	38.21%	1,181,804	535,523
City of Edina	0.271220	22.87%	1,181,804	320,529
Edina ISD No. 273	0.348980	29.43%	1,181,804	412,426
Other	<u>0.112590</u>	<u>9.49%</u>	<u>1,181,804</u>	<u>133,059</u>
Total	1.185930	100.00%		1,401,537

The estimates listed above display the Captured Tax Capacity (CTC) when all construction is completed. The tax rate used for calculations is the estimated Pay 2016 rate as obtained from Hennepin County. The total net capacity for the entities listed above are based on actual Pay 2016 figures. The District will be certified under the actual Pay 2016 rates, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$32,479,295;
- (2) Probable impact of the District on city provided services and ability to issue debt. Based upon input from the respective City of Edina departments, probable impacts of the District were obtained. An impact of the District on police protection is not expected. 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.

The probable impact of the District on fire protection is not expected to be significant. Typically new buildings generate few calls, if any, and are of superior construction. However, with an increase in residents and traffic, an increase in medical related calls is anticipated. The existing buildings, which will be eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures. It is expected that the contemplated public improvements will improve access for emergency response vehicles.

The impact of the District on public infrastructure is expected to be moderate. The development is not expected to significantly impact any traffic movements external to the area, but new infrastructure is proposed to enhance traffic movement throughout the District. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are minimal additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks. The development in the District is expected to contribute sanitary sewer (SAC) and water (WAC) connection fees.

The probable impact of any District general obligation tax increment bonds on the ability to issue debt for general fund purposes is expected to be minimal. The City may issue GO TIF Bonds at some point during the District, but it is not anticipated at this time.

- (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 all 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 \$9,564,599. The amount is calculated by multiplying the total estimated increment of \$32,479,295 by the percent of the total tax rate attributable to the school district based on the estimated Pay 2016 tax rate of 0.34898;
- (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 \$12,418,262. The amount is calculated by multiplying the total estimated increment of \$32,479,295 by the percent of the total tax rate attributable to the county based on the estimated Pay 2016 tax rate of 0.45314;
- (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.

A copy of the proposed TIF Plan was furnished to the county and school district for comment on the anticipated fiscal impacts. Edina Public Schools raised a concern with the proposed TIF Plan. The City responded to the concerns at the public hearing and with clarifications to the final version of this TIF Plan.

Subsection 2-15. Supporting Documentation

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

- Grandview District Development Framework - April 5, 2012
- Sanitary Sewer Analysis - Barr Engineering February 21, 2014
- Water Distribution System Analysis - Short Elliot Hendrickson Inc. February 21, 2014
- Transportation Summary - WSB & Associates March 6, 2014
- Redevelopment TIF District Qualifications Report - LHB
- Edina Housing and Redevelopment Authority Resolution 2013-04

Subsection 2-16. Definition of Tax Increment Revenues

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

1. *Taxes paid by the captured net tax capacity, but excluding any excess taxes, as computed under M.S.,*

Section 469.177;

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

Subsection 2-17. Modifications to the District

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

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

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

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(a)*, 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).

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

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

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

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

Subsection 2-19. Limitation of Increment

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

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

if, after four years from the date of certification of the original net tax capacity of the tax increment financing district pursuant to M.S., Section 469.177, no demolition, rehabilitation or renovation of property or other site preparation, including qualified improvement of a street adjacent to a parcel but not installation of utility service including sewer or water systems, has been commenced on a parcel located within a tax increment financing district by the authority or by the owner of the parcel in accordance with the tax increment financing plan, no additional tax increment may be taken from that parcel, and the original net tax capacity of that parcel shall be excluded from the original net tax capacity of the tax

increment financing district. If the authority or the owner of the parcel subsequently commences demolition, rehabilitation or renovation or other site preparation on that parcel including qualified improvement of a street adjacent to that parcel, in accordance with the tax increment financing plan, the authority shall certify to the county auditor that the activity has commenced and the county auditor shall certify the net tax capacity thereof as most recently certified by the commissioner of revenue and add it to the original net tax capacity of the tax increment financing district. The county auditor must enforce the provisions of this subdivision. The authority must submit to the county auditor evidence that the required activity has taken place for each parcel in the district. The evidence for a parcel must be submitted by February 1 of the fifth year following the year in which the parcel was certified as included in the district. For purposes of this subdivision, qualified improvements of a street are limited to (1) construction or opening of a new street, (2) relocation of a street, and (3) substantial reconstruction or rebuilding of an existing street.

The HRA or City or a property owner must improve parcels within the District by approximately March 2020 and report such actions to the County Auditor.

Subsection 2-20. Use of Tax Increment

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

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

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

Tax increments generated in the District will be paid by Hennepin County to the HRA for the Tax Increment Fund of said District. The HRA or City will pay to the developer(s) annually an amount not to exceed an amount as specified in a developer's agreement to reimburse the costs of land acquisition, public improvements, demolition and relocation, site preparation, and administration. 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 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 is placed upon HRA and City staff awareness of the feasibility of developing the project site(s) within the District and will be confirmed upon written representation made by the developer to such effects. 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 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

The Grandview 2 Tax Increment District is a significant redevelopment effort of the City of Edina. The total development costs is estimated to be in excess of \$200 million. The project is focused on revitalizing the site of the City’s vacant and substandard former public works facility along with public and outdated private use sites adjacent to the property. The City envisions a 74,000 square foot civic use for a portion of the public site with the redevelopment goal to create a vibrant neighborhood center with regional connections to catalyze high quality, integrated public and private development.

The redevelopment is expected to occur in stages over the next two to six years. The City adopted the Grandview Development Framework in 2012 to help guide the potential area of change. Central to the redevelopment effort is the creation of a central commons area consisting of civic, residential, office and other uses. The City has sought partnership with Frauenshuh Commercial Real Estate Group to collaboratively plan the re-use of the site, but has not formally entered into any redevelopment agreements with any developers. The City expects to solicit private partners to maximize economic vitality of the site to complement the public improvements.

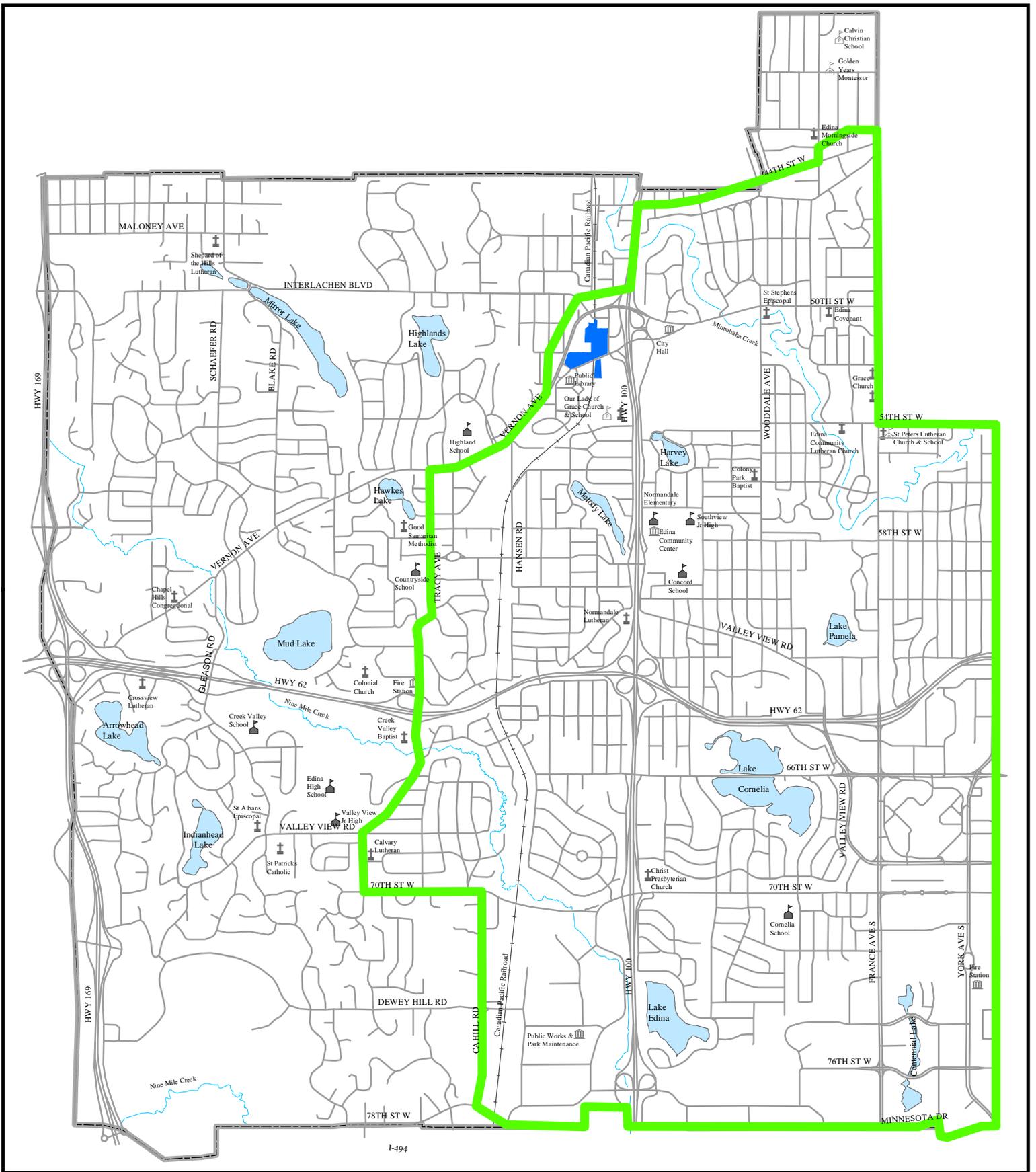
Complimenting the civic use, the framework recommends mixed use development consisting of approximately 50,000 square feet of office, 18,000 square feet of retail, and 321 units of residential housing on multiple sites throughout the District. Potential public improvements include pavement, sidewalk, utility, and street improvements along Eden and Arcadia Avenues adjacent to the site; intersection improvements to Eden/Vernon, Eden/Arcadia, and Eden/Sherwood; district-wide shared parking structure; new street and pedestrian transportation connections; and district storm water solutions.

Anticipated Improvement Projects Potentially Funded with Tax Increment	
<p style="text-align: center;"><u>District-Wide Public Improvements</u></p> <p>Roadway Improvements</p> <ul style="list-style-type: none"> • Eden Avenue • Arcadia Avenue • New East-West Street • New bridge over railway • New roadway to City-owned parking ramp <p>Intersection Improvements</p> <ul style="list-style-type: none"> • Vernon & Eden • Eden & Sherwood • Eden & Arcadia <p>Structured Parking</p>	<p style="text-align: center;"><u>Site Specific Improvements:</u></p> <p>Environmental Remediation</p> <p>Site Preparation</p> <p>Structured Parking</p>

The public costs associated with the project is anticipated to be financed by a combination of city funds and/or bonds for public infrastructure, and pay-as-you-go notes issued to private developers to reimburse qualifying costs to facilitate the redevelopment.

Appendix B

Map of the Southeast Edina Redevelopment Project Area and the District

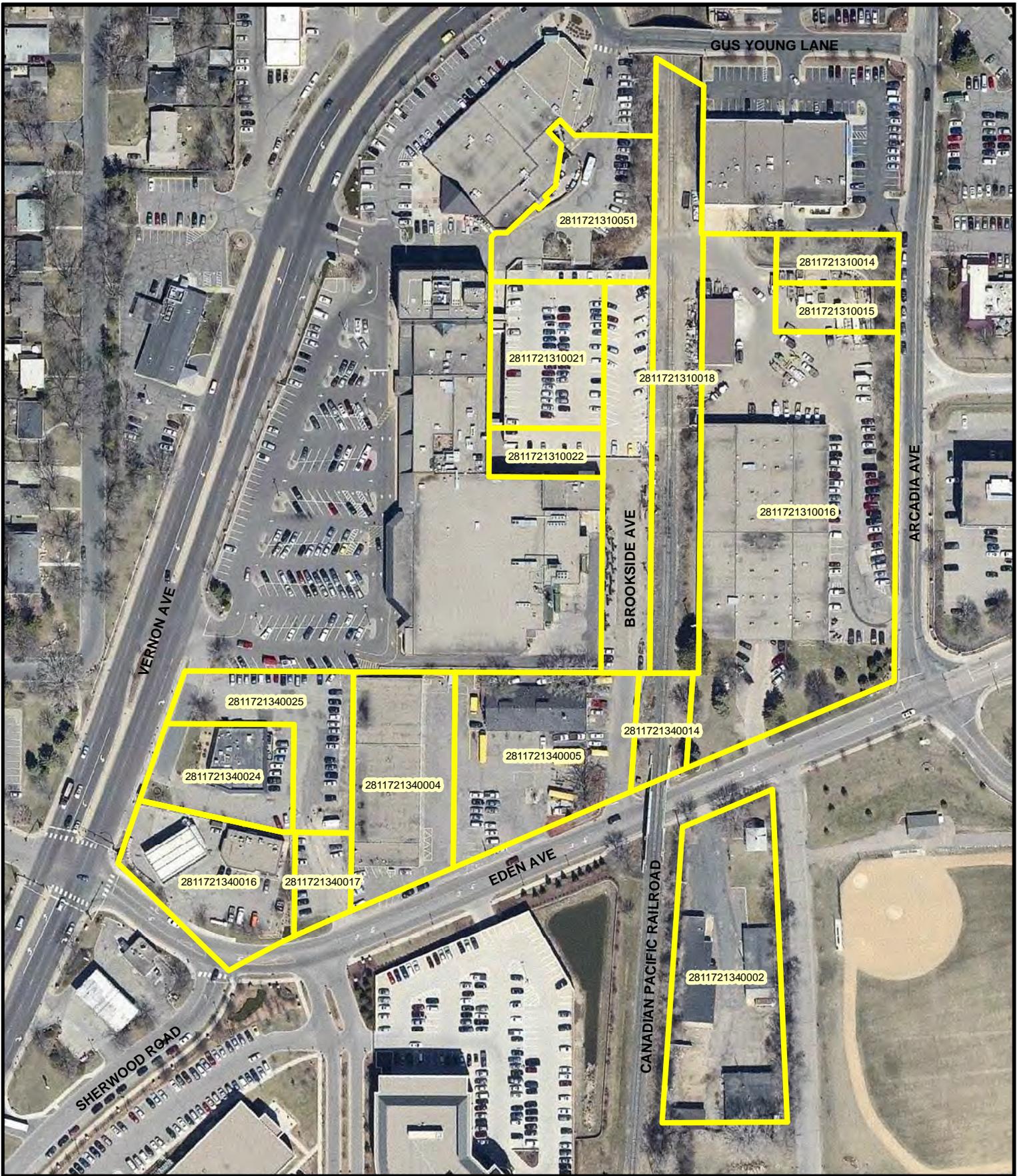


Southeast Edina Redevelopment Project Area and Grandview 2 TIF District



- Project Area
- Grandview 2 TIF District





**City of Edina
Grandview 2 Tax Increment Financing Redevelopment District**



 Grandview 2 TIF District



Engineering Dept
January, 2016

Appendix C

Description of Property to be Included in the District

The Grandview 2 TIF 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>
28-117-21-31-0014	5146 Eden Ave	City of Edina
28-117-21-31-0015	5146 Eden Ave	City of Edina
28-117-21-31-0016	5146 Eden Ave	City of Edina
28-117-21-34-0002	5145 Eden Ave	Church of Our Lady Grace
28-117-21-31-0018	NA	SOO Line Railroad Corp (Canadian Pacific Railway)
28-117-21-34-0014	NA	SOO Line Railroad Corp (Canadian Pacific Railway)
28-117-21-34-0005	5150 Brookside Ave	ISD #273
28-117-21-34-0004	5220 Eden Ave	ISD #273
28-117-21-34-0017	NA	Jerry's Enterprises, Inc
28-117-21-34-0025	5201 Vernon Ave	Jerry's Enterprises, Inc
28-117-21-34-0024	5203 Vernon Ave	Drs. JT Beecher & JA Rohde
28-117-21-34-0016	5205 Vernon Ave	Realty Income Props 3 LLC
28-117-21-31-0021	5116 Brookside Ave	City of Edina
28-117-21-31-0022	5120 Brookside Ave	City of Edina
28-117-21-31-0051	NA	City of Edina

Appendix D

Estimated Cash Flow for the District

This Appendix contains detailed calculations to estimate the cash flow of incremental taxes to be collected over the life of the District.

These estimates are used to determine the revenue sources pursuant to *M.S., Section 469.175, Subd. 1.*

These calculations are estimates only. Actual tax increment collected may differ based on the actual market values assigned to each parcel within the District as determined by the Assessor, tax rates, and annual changes to tax rates. Please note that actual taxes levied against these parcels and collected could be higher or lower than these estimates.



Grandview Redevelopment

City of Edina, MN

50,000 sq. ft. Commercial Office and 10,000 sq. ft. Retail

ASSUMPTIONS AND RATES

District Type:	Redevelopment
District Name/Number:	SD 273 / WD 1
County District #:	
First Year Construction or Inflation on Value	2018
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	2.00%
Interest Rate:	4.00%
Present Value Date:	1-Aug-16
First Period Ending	1-Feb-17
Tax Year District was Certified:	Pay 2016
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	31.9168% Pay 2016 Prelim
Fiscal Disparities Metro-Wide Tax Rate	150.2620% Pay 2016 Prelim
Maximum/Frozen Local Tax Rate:	118.106% Pay 2016 Prelim
Current Local Tax Rate: (Use lesser of Current or Max.)	118.106% Pay 2016 Prelim
State-wide Tax Rate (Comm./Ind. only used for total taxes)	49.0000% Pay 2016 Prelim
Market Value Tax Rate (Used for total taxes)	0.20622% Pay 2016 Prelim

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 \$100,000		0.75%
Over \$100,000		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
	2811721310018			0	0	0	100%	0	Pay 2016	Exempt	-	Exempt	-	
	2811721340014			0	0	0	100%	0	Pay 2016	Exempt	-	Exempt	-	
	2811721340005			297,521	0	297,521	100%	297,521	Pay 2016	Exempt	-	C/I	5,950	
	2811721340004			233,821	0	233,821	100%	233,821	Pay 2016	Exempt	-	C/I	4,676	
	2811721340017			116,000	0	116,000	100%	116,000	Pay 2016	C/I	2,320	C/I	2,320	
	2811721340025			356,000	0	356,000	100%	356,000	Pay 2016	C/I	7,120	C/I	7,120	
	2811721340024			362,400	502,500	864,900	100%	864,900	Pay 2016	C/I Pref.	16,548	C/I Pref.	16,548	
	2811721340016			530,900	16,700	547,600	100%	547,600	Pay 2016	C/I Pref.	10,202	C/I Pref.	10,202	
	2811721310021			0	0	0	100%	0	Pay 2016	Exempt	-	Exempt	-	
	2811721310022			0	0	0	100%	0	Pay 2016	Exempt	-	Exempt	-	
	2811721310051			0	0	0	100%	0	Pay 2016	Exempt	-	Exempt	-	
				1,896,642	519,200	2,415,842		2,415,842			36,190		46,817	

Note:

1. Review of County website on 1.7.2016 shows \$0 value assigned to exempt parcels. Projections assume land base value estimate at \$7 per square foot for parcels ending in -0004 and -0005.



Grandview Redevelopment

City of Edina, MN

50,000 sq. ft. Commercial Office and 10,000 sq. ft. 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	Percentage Completed 2018	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	First Year Full Taxes Payable
Eden	Office	200	200	42,000	8,400,000	C/I	168,000	25%	50%	100%	100%	2022
Eden	Retail	200	200	6,000	1,200,000	C/I	24,000	25%	50%	100%	100%	2022
Vernon	Comm. Land	15	15	31,465	472,000	C/I	9,440	100%	100%	100%	100%	2020
Vernon	Office	200	200	4,500	900,000	C/I Pref.	17,250	100%	100%	100%	100%	2020
Vernon	Retail	200	200	4,000	800,000	C/I Pref.	15,250	100%	100%	100%	100%	2020
TOTAL					11,772,000		233,940					
Subtotal Commercial/Ind.				87,965	11,772,000		233,940					

Note:

1. Market values are based upon current estimates provided by the City assessor's office.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Office	168,000	53,620	114,380	135,089	80,571	82,320	17,322	315,303	7.51
Retail	24,000	7,660	16,340	19,298	11,510	11,760	2,475	45,043	7.51
Comm. Land	9,440	3,013	6,427	7,591	4,527	4,626	973	17,717	0.56
Office	17,250	5,506	11,744	13,871	8,273	8,453	1,856	32,452	7.21
Retail	15,250	4,867	10,383	12,263	7,314	7,473	1,650	28,699	7.17
TOTAL	233,940	74,666	159,274	188,112	112,195	114,631	24,276	439,214	

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	439,214
less State-wide Taxes	(114,631)
less Fiscal Disp. Adj.	(112,195)
less Market Value Taxes	(24,276)
less Base Value Taxes	(37,646)
Annual Gross TIF	150,466



**Grandview Redevelopment
City of Edina, MN
50,000 sq. ft. Commercial Office and 10,000 sq. ft. 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
														02/01/17
														08/01/17
														02/01/18
														08/01/18
														02/01/19
														08/01/19
														02/01/20
100%	89,940	(46,817)	(13,764)	29,360	118.106%	34,675	17,338	(62)	(1,728)	15,548	13,270	0.5	2020	08/01/20
							17,338	(62)	(1,728)	15,548	26,280	1	2020	02/01/21
100%	138,779	(46,817)	(28,751)	63,211	118.106%	74,656	37,328	(134)	(3,719)	33,474	53,740	1.5	2021	08/01/21
							37,328	(134)	(3,719)	33,474	80,663	2	2021	02/01/22
100%	235,634	(46,817)	(60,265)	128,553	118.106%	151,829	75,914	(273)	(7,564)	68,077	134,341	2.5	2022	08/01/22
							75,914	(273)	(7,564)	68,077	186,967	3	2022	02/01/23
100%	240,347	(46,817)	(61,769)	131,762	118.106%	155,618	77,809	(280)	(7,753)	69,776	239,848	3.5	2023	08/01/23
							77,809	(280)	(7,753)	69,776	291,693	4	2023	02/01/24
100%	245,154	(46,817)	(63,303)	135,034	118.106%	159,484	79,742	(287)	(7,945)	71,509	343,784	4.5	2024	08/01/24
							79,742	(287)	(7,945)	71,509	394,853	5	2024	02/01/25
100%	250,057	(46,817)	(64,868)	138,372	118.106%	163,426	81,713	(294)	(8,142)	73,277	446,158	5.5	2025	08/01/25
							81,713	(294)	(8,142)	73,277	496,458	6	2025	02/01/26
100%	255,058	(46,817)	(66,464)	141,777	118.106%	167,448	83,724	(301)	(8,342)	75,080	546,985	6.5	2026	08/01/26
							83,724	(301)	(8,342)	75,080	596,521	7	2026	02/01/27
100%	260,159	(46,817)	(68,092)	145,250	118.106%	171,549	85,775	(309)	(8,547)	76,919	646,275	7.5	2027	08/01/27
							85,775	(309)	(8,547)	76,919	695,054	8	2027	02/01/28
100%	265,363	(46,817)	(69,753)	148,793	118.106%	175,733	87,867	(316)	(8,755)	78,795	744,043	8.5	2028	08/01/28
							87,867	(316)	(8,755)	78,795	792,071	9	2028	02/01/29
100%	270,670	(46,817)	(71,447)	152,406	118.106%	180,001	90,000	(324)	(8,968)	80,709	840,301	9.5	2029	08/01/29
							90,000	(324)	(8,968)	80,709	887,585	10	2029	02/01/30
100%	276,083	(46,817)	(73,174)	156,092	118.106%	184,354	92,177	(332)	(9,185)	82,661	935,063	10.5	2030	08/01/30
							92,177	(332)	(9,185)	82,661	981,611	11	2030	02/01/31
100%	281,605	(46,817)	(74,937)	159,851	118.106%	188,794	94,397	(340)	(9,406)	84,651	1,028,344	11.5	2031	08/01/31
							94,397	(340)	(9,406)	84,651	1,074,161	12	2031	02/01/32
100%	287,237	(46,817)	(76,734)	163,686	118.106%	193,323	96,661	(348)	(9,631)	86,682	1,120,158	12.5	2032	08/01/32
							96,661	(348)	(9,631)	86,682	1,165,252	13	2032	02/01/33
100%	292,982	(46,817)	(78,568)	167,597	118.106%	197,942	98,971	(356)	(9,861)	88,753	1,210,519	13.5	2033	08/01/33
							98,971	(356)	(9,861)	88,753	1,254,898	14	2033	02/01/34
100%	298,841	(46,817)	(80,438)	171,586	118.106%	202,654	101,327	(365)	(10,096)	90,866	1,299,443	14.5	2034	08/01/34
							101,327	(365)	(10,096)	90,866	1,343,114	15	2034	02/01/35
100%	304,818	(46,817)	(82,346)	175,656	118.106%	207,460	103,730	(373)	(10,336)	93,021	1,386,944	15.5	2035	08/01/35
							103,730	(373)	(10,336)	93,021	1,429,915	16	2035	02/01/36
100%	310,915	(46,817)	(84,292)	179,806	118.106%	212,362	106,181	(382)	(10,580)	95,219	1,473,038	16.5	2036	08/01/36
							106,181	(382)	(10,580)	95,219	1,515,317	17	2036	02/01/37
100%	317,133	(46,817)	(86,276)	184,040	118.106%	217,362	108,681	(391)	(10,829)	97,461	1,557,742	17.5	2037	08/01/37
							108,681	(391)	(10,829)	97,461	1,599,335	18	2037	02/01/38
100%	323,476	(46,817)	(88,301)	188,358	118.106%	222,462	111,231	(400)	(11,083)	99,748	1,641,069	18.5	2038	08/01/38
							111,231	(400)	(11,083)	99,748	1,681,985	19	2038	02/01/39
100%	329,945	(46,817)	(90,365)	192,763	118.106%	227,664	113,832	(410)	(11,342)	102,080	1,723,037	19.5	2039	08/01/39
							113,832	(410)	(11,342)	102,080	1,763,284	20	2039	02/01/40
100%	336,544	(46,817)	(92,472)	197,255	118.106%	232,971	116,485	(419)	(11,607)	104,459	1,803,662	20.5	2040	08/01/40
							116,485	(419)	(11,607)	104,459	1,843,248	21	2040	02/01/41
100%	343,275	(46,817)	(94,620)	201,838	118.106%	238,383	119,191	(429)	(11,876)	106,886	1,882,959	21.5	2041	08/01/41
							119,191	(429)	(11,876)	106,886	1,921,891	22	2041	02/01/42
100%	350,140	(46,817)	(96,811)	206,512	118.106%	243,903	121,952	(439)	(12,151)	109,361	1,960,944	22.5	2042	08/01/42
							121,952	(439)	(12,151)	109,361	1,999,232	23	2042	02/01/43
100%	357,143	(46,817)	(99,046)	211,280	118.106%	249,534	124,767	(449)	(12,432)	111,886	2,037,635	23.5	2043	08/01/43
							124,767	(449)	(12,432)	111,886	2,075,285	24	2043	02/01/44
100%	364,286	(46,817)	(101,326)	216,143	118.106%	255,278	127,639	(460)	(12,718)	114,462	2,113,047	24.5	2044	08/01/44
							127,639	(460)	(12,718)	114,462	2,150,068	25	2044	02/01/45
100%	371,572	(46,817)	(103,651)	221,103	118.106%	261,136	130,568	(470)	(13,010)	117,088	2,187,196	25.5	2045	08/01/45
							130,568	(470)	(13,010)	117,088	2,223,596	26	2045	02/01/46
Total							4,970,003	(17,892)	(495,211)	4,456,899				
			Present Value From 08/01/2016	Present Value Rate	4.00%		2,479,589	(8,927)	(247,066)	2,223,596				



Grandview Redevelopment

City of Edina, MN

Grandview High Housing Density Concept: 8,000 sq. ft. retail and 309 units Residential. 12 units townhomes.

ASSUMPTIONS AND RATES

DistrictType:	Redevelopment
District Name/Number:	SD 273 / WD 3
County District #:	
First Year Construction or Inflation on Value	2018
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	2.00%
Interest Rate:	4.00%
Present Value Date:	1-Aug-16
First Period Ending	1-Feb-17
Tax Year District was Certified:	Pay 2016
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	31.9168% Pay 2016 Prelim.
Fiscal Disparities Metro-Wide Tax Rate	150.2620% Pay 2016 Prelim.
Maximum/Frozen Local Tax Rate:	118.593% Pay 2016 Prelim.
Current Local Tax Rate: (Use lesser of Current or Max.)	118.593% Pay 2016 Prelim.
State-wide Tax Rate (Comm./Ind. only used for total taxes)	49.0000% Pay 2016 Prelim.
Market Value Tax Rate (Used for total taxes)	0.20622% Pay 2016 Prelim.

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 \$100,000	0.75%
Over \$100,000	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
	2811721310014			63,000	0	63,000	100%	63,000	Pay 2016	Exempt	-	C/I	1,260	
	2811721310015			63,000	0	63,000	100%	63,000	Pay 2016	Exempt	-	Exempt	-	
	2811721310016			888,972	0	888,972	50%	444,486	Pay 2016	Exempt	-	Rental	5,556	
	2811721310016			888,972	0	888,972	50%	444,486	Pay 2016	Exempt	-	Exempt	-	
	2811721340002			356,272	0	356,272	100%	356,272	Pay 2016	Exempt	-	Hmstd. Res.	3,563	
				2,260,216	0	2,260,216		1,371,244			0		10,379	

Note:

1. Review of County website on 1.7.2016 shows \$0 value assigned to exempt parcels. Projections assume land base value estimate at \$7 per square foot.



Grandview Redevelopment

City of Edina, MN

Grandview High Housing Density Concept: 8,000 sq. ft. retail and 309 units Residential. 12 units townhomes.

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	Percentage Completed 2018	Percentage Completed 2019	Percentage Completed 2020	Percentage Completed 2021	First Year Full Taxes Payable
	Residential	185,599	185,599	309	57,350,000	Rental	716,875	25%	50%	100%	100%	2022
	Retail	200	200	8,000	1,600,000	C/I	32,000	25%	50%	100%	100%	2022
	Townhouses	165,000	142,610	12	1,711,320	Hmstd. Res.	17,113	0%	50%	100%	100%	2022
TOTAL					60,661,320		765,988					
Subtotal Residential				321	59,061,320		733,988					
Subtotal Commercial/Ind.				8,000	1,600,000		32,000					

Note:

1. Market values are based upon current estimates provided by the City assessor's office.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Residential	716,875	0	716,875	850,164	0	0	118,267	968,431	3,134.08
Retail	32,000	10,213	21,787	25,837	15,347	15,680	3,300	60,164	7.52
Townhouses	17,113	0	17,113	20,295	0	0	3,529	23,824	1,985.35
TOTAL	765,988	10,213	755,775	896,296	15,347	15,680	125,096	1,052,419	

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	1,052,419
less State-wide Taxes	(15,680)
less Fiscal Disp. Adj.	(15,347)
less Market Value Taxes	(125,096)
less Base Value Taxes	(11,832)
Annual Gross TIF	884,464



**Grandview Redevelopment
City of Edina, MN**

Grandview High Housing Density Concept: 8,000 sq. ft. retail and 309 units Residential. 12 units townhomes.

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
														02/01/17
														08/01/17
														02/01/18
														08/01/18
														02/01/19
														08/01/19
														02/01/20
														08/01/20
100%	187,219	(10,379)	(2,151)	174,689	118.593%	207,169	103,584	(373)	(10,321)	92,890	79,281	0.5	2020	08/01/20
							103,584	(373)	(10,321)	92,890	157,007	1	2020	02/01/21
100%	382,994	(10,379)	(4,604)	368,011	118.593%	436,435	218,218	(786)	(21,743)	195,689	317,540	1.5	2021	08/01/21
							218,218	(786)	(21,743)	195,689	474,926	2	2021	02/01/22
100%	765,988	(10,379)	(9,811)	745,798	118.593%	884,464	442,232	(1,592)	(44,064)	396,576	787,623	2.5	2022	08/01/22
							442,232	(1,592)	(44,064)	396,576	1,094,190	3	2022	02/01/23
100%	781,308	(10,379)	(10,015)	760,914	118.593%	902,390	451,195	(1,624)	(44,957)	404,614	1,400,836	3.5	2023	08/01/23
							451,195	(1,624)	(44,957)	404,614	1,701,470	4	2023	02/01/24
100%	796,934	(10,379)	(10,224)	776,331	118.593%	920,675	460,337	(1,657)	(45,868)	412,812	2,002,181	4.5	2024	08/01/24
							460,337	(1,657)	(45,868)	412,812	2,296,996	5	2024	02/01/25
100%	812,873	(10,379)	(10,436)	792,058	118.593%	939,325	469,662	(1,691)	(46,797)	421,175	2,591,886	5.5	2025	08/01/25
							469,662	(1,691)	(46,797)	421,175	2,880,993	6	2025	02/01/26
100%	829,130	(10,379)	(10,653)	808,098	118.593%	958,348	479,174	(1,725)	(47,745)	429,704	3,170,171	6.5	2026	08/01/26
							479,174	(1,725)	(47,745)	429,704	3,453,680	7	2026	02/01/27
100%	845,713	(10,379)	(10,874)	824,460	118.593%	977,752	488,876	(1,760)	(48,712)	438,404	3,737,257	7.5	2027	08/01/27
							488,876	(1,760)	(48,712)	438,404	4,015,273	8	2027	02/01/28
100%	862,627	(10,379)	(11,100)	841,149	118.593%	997,543	498,772	(1,796)	(49,698)	447,278	4,293,356	8.5	2028	08/01/28
							498,772	(1,796)	(49,698)	447,278	4,565,986	9	2028	02/01/29
100%	879,880	(10,379)	(11,330)	858,171	118.593%	1,017,731	508,865	(1,832)	(50,703)	456,330	4,838,680	9.5	2029	08/01/29
							508,865	(1,832)	(50,703)	456,330	5,106,026	10	2029	02/01/30
100%	897,477	(10,379)	(11,564)	875,534	118.593%	1,038,322	519,161	(1,869)	(51,729)	465,563	5,373,434	10.5	2030	08/01/30
							519,161	(1,869)	(51,729)	465,563	5,635,598	11	2030	02/01/31
100%	915,427	(10,379)	(11,804)	893,244	118.593%	1,059,325	529,663	(1,907)	(52,776)	474,980	5,897,820	11.5	2031	08/01/31
							529,663	(1,907)	(52,776)	474,980	6,154,902	12	2031	02/01/32
100%	933,735	(10,379)	(12,048)	911,309	118.593%	1,080,748	540,374	(1,945)	(53,843)	484,586	6,412,039	12.5	2032	08/01/32
							540,374	(1,945)	(53,843)	484,586	6,664,135	13	2032	02/01/33
100%	952,410	(10,379)	(12,297)	929,734	118.593%	1,102,600	551,300	(1,985)	(54,932)	494,384	6,916,284	13.5	2033	08/01/33
							551,300	(1,985)	(54,932)	494,384	7,163,490	14	2033	02/01/34
100%	971,458	(10,379)	(12,551)	948,529	118.593%	1,124,888	562,444	(2,025)	(56,042)	504,378	7,410,747	14.5	2034	08/01/34
							562,444	(2,025)	(56,042)	504,378	7,653,157	15	2034	02/01/35
100%	990,887	(10,379)	(12,810)	967,699	118.593%	1,147,623	573,811	(2,066)	(57,175)	514,571	7,895,616	15.5	2035	08/01/35
							573,811	(2,066)	(57,175)	514,571	8,133,321	16	2035	02/01/36
100%	1,010,705	(10,379)	(13,074)	987,252	118.593%	1,170,812	585,406	(2,107)	(58,330)	524,969	8,371,074	16.5	2036	08/01/36
							585,406	(2,107)	(58,330)	524,969	8,604,166	17	2036	02/01/37
100%	1,030,919	(10,379)	(13,344)	1,007,197	118.593%	1,194,465	597,232	(2,150)	(59,508)	535,574	8,837,303	17.5	2037	08/01/37
							597,232	(2,150)	(59,508)	535,574	9,065,870	18	2037	02/01/38
100%	1,051,538	(10,379)	(13,619)	1,027,540	118.593%	1,218,591	609,295	(2,193)	(60,710)	546,392	9,294,480	18.5	2038	08/01/38
							609,295	(2,193)	(60,710)	546,392	9,518,609	19	2038	02/01/39
100%	1,072,568	(10,379)	(13,899)	1,048,291	118.593%	1,243,199	621,600	(2,238)	(61,936)	557,426	9,742,779	19.5	2039	08/01/39
							621,600	(2,238)	(61,936)	557,426	9,962,555	20	2039	02/01/40
100%	1,094,020	(10,379)	(14,185)	1,069,456	118.593%	1,268,300	634,150	(2,283)	(63,187)	568,680	10,182,371	20.5	2040	08/01/40
							634,150	(2,283)	(63,187)	568,680	10,397,877	21	2040	02/01/41
100%	1,115,900	(10,379)	(14,477)	1,091,045	118.593%	1,293,902	646,951	(2,329)	(64,462)	580,160	10,613,423	21.5	2041	08/01/41
							646,951	(2,329)	(64,462)	580,160	10,824,742	22	2041	02/01/42
100%	1,138,218	(10,379)	(14,774)	1,113,065	118.593%	1,320,017	660,009	(2,376)	(65,763)	591,869	11,036,099	22.5	2042	08/01/42
							660,009	(2,376)	(65,763)	591,869	11,243,312	23	2042	02/01/43
100%	1,160,983	(10,379)	(15,078)	1,135,526	118.593%	1,346,654	673,327	(2,424)	(67,090)	603,813	11,450,561	23.5	2043	08/01/43
							673,327	(2,424)	(67,090)	603,813	11,653,747	24	2043	02/01/44
100%	1,184,202	(10,379)	(15,388)	1,158,436	118.593%	1,373,824	686,912	(2,473)	(68,444)	615,995	11,856,968	24.5	2044	08/01/44
							686,912	(2,473)	(68,444)	615,995	12,056,203	25	2044	02/01/45
100%	1,207,886	(10,379)	(15,703)	1,181,804	118.593%	1,401,537	700,768	(2,523)	(69,825)	628,421	12,255,473	25.5	2045	08/01/45
							700,768	(2,523)	(69,825)	628,421	12,450,835	26	2045	02/01/46
Total							27,626,640	(99,456)	(2,752,718)	24,774,466				
			Present Value From 08/01/2016	Present Value Rate	4.00%		13,884,245	(49,983)	(1,383,426)	12,450,835				

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

LHB, Inc. prepared a report dated February 5, 2016 that fully describes the inspection procedures and results for determining the qualifications of the Grandview 2 TIF District as a Redevelopment District.

Report of Inspection Procedures and Results for
Determining Qualifications of a
Tax Increment Financing District as a Redevelopment District

Grandview 2 Redevelopment TIF District Edina, Minnesota



February 5, 2016

Prepared For the
City of Edina

Prepared by:



LHB, Inc.
701 Washington Avenue North, Suite 200
Minneapolis, Minnesota 55401

LHB Project No. 130153.01

TABLE OF CONTENTS

PART 1 – EXECUTIVE SUMMARY	2
Purpose of Evaluation.....	2
Scope of Work	3
Conclusion	3
PART 2 – MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS.....	3
A. Coverage Test.....	4
B. Condition of Buildings Test.....	4
C. Distribution of Substandard Buildings.....	5
PART 3 – PROCEDURES FOLLOWED.....	6
PART 4 – FINDINGS	6
A. Coverage Test.....	6
B. Condition of Building Test.....	7
1. Building Inspection	7
2. Replacement Cost.....	8
3. Code Deficiencies	8
4. System Condition Deficiencies.....	9
C. Distribution of Substandard Structures.....	9
PART 5 - TEAM CREDENTIALS.....	11
APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code, Condition Deficiency and Context Analysis Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

PART 1 – EXECUTIVE SUMMARY

PURPOSE OF EVALUATION

LHB was hired by the City of Edina to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District (“TIF District”) proposed to be established by the City. The proposed TIF District is bounded by Arcadia Avenue, Eden Avenue, Link Road, Vernon Avenue and Gus Young Lane (Diagram 1). The purpose of LHB’s work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether five (5) buildings on fifteen (15) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1 – Proposed TIF District

SCOPE OF WORK

The proposed TIF District consists of fifteen (15) parcels with five (5) buildings. One (1) building was inspected on March 12, 2013, and was declared substandard by Edina HRA Resolution (2013.04) on March 19, 2013 prior to demolition of the building. Two (2) buildings were inspected on December 23, 2015. The two (2) remaining buildings were not inspected as we assumed they would not be found substandard based on our exterior evaluation. Building code and Condition Deficiency Reports for the buildings that were inspected are located in Appendix B.

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 qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 89.1 percent which is above the 70 percent requirement.
- 60 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

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(c)*, 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) (1) requires three tests for occupied parcels:

A. COVERAGE TEST

...“parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots...”

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.”

B. CONDITION OF BUILDINGS TEST

Minnesota Statutes, Section 469.174, Subdivision 10(a) states, “...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.”
 - a. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as “structurally substandard”, due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
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 [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence.”

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.

- Chapter 13 of the 2015 *Minnesota Building Code* states, “Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*.” Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, “References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*...”
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.
- Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. In order for an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

C. DISTRIBUTION OF SUBSTANDARD BUILDINGS

Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions, “reasonably distributed throughout the district.”

- (1) “Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, 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...”

Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all of the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all of the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

PART 3 – PROCEDURES FOLLOWED

LHB inspected one (1) of the five (5) buildings during the day of March 12, 2013 (Map No. 1). Two (2) of the five (5) buildings were inspected on December 23, 2015 (Map No. 10 and 11). Two (2) buildings were not inspected (Map No. 14 and 15).

PART 4 – FINDINGS

A. COVERAGE TEST

1. The total square foot area of the parcel in the proposed TIF District was obtained from City records, 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, 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.

FINDING:

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 89.1 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.

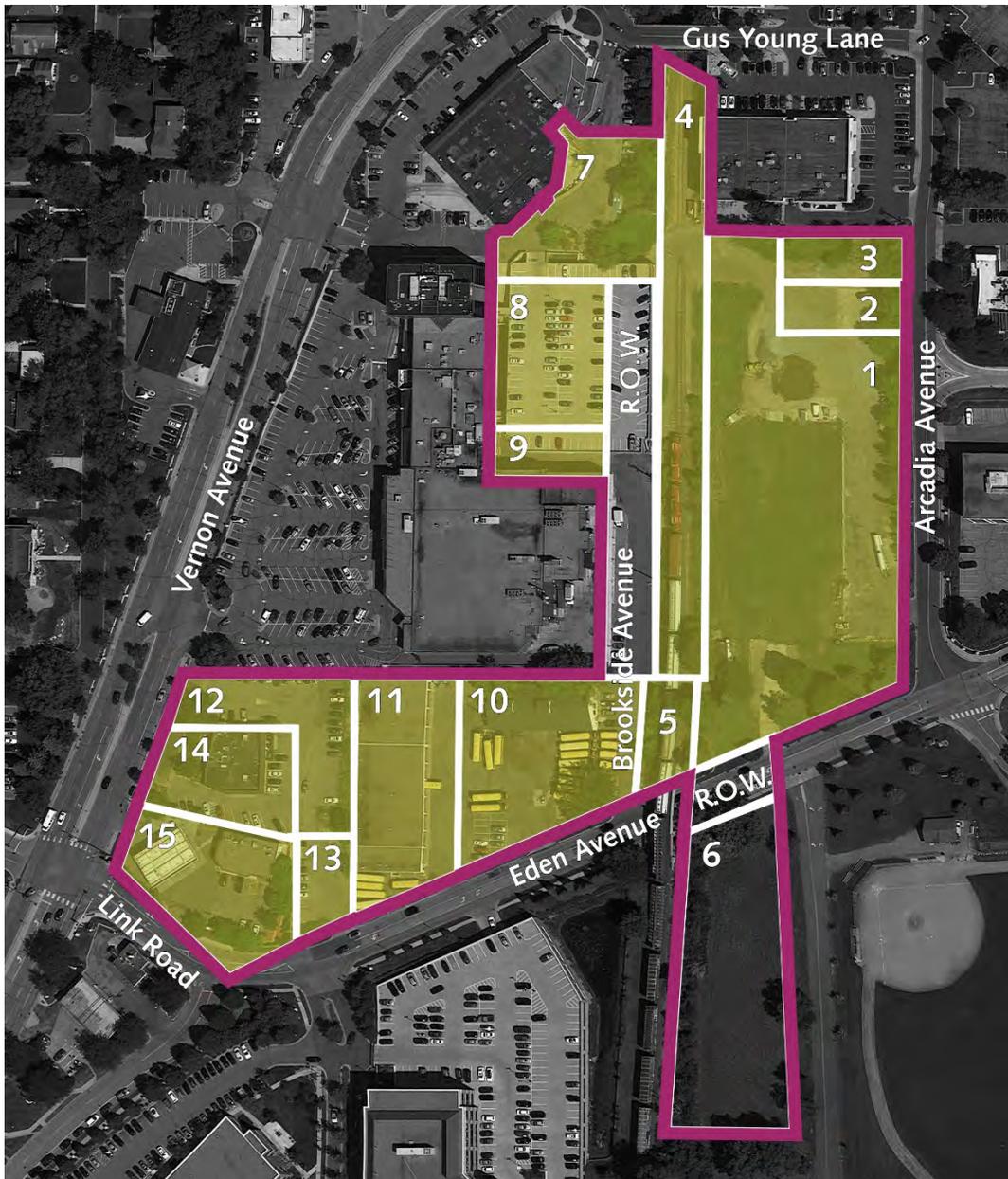


Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities,
Paved or gravel parking lots or other similar structures

B. CONDITION OF BUILDING TEST

1. BUILDING INSPECTION

The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether or not a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

2. REPLACEMENT COST

The second 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 2016 and 2013.

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 A.

3. 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. As a result, 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. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is actually 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 2016 and 2013; 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:

Three (3) out of five (5) buildings (60 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)*. Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

4. SYSTEM CONDITION DEFICIENCIES

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, LHB 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.

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 of system condition deficiencies was made by reviewing all available information contained in City records, and making interior and exterior inspections of the buildings. LHB 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.

After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

FINDING:

In our professional opinion, three (3) out of five (5) buildings (60 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. This exceeds the 50 percent requirement of Subdivision 10a(1).

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 (Diagram 3).

FINDING:

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.



Diagram 3 – Substandard Buildings

Shaded green area depicts parcels with buildings.
 Hatched area depicts parcels with substandard buildings.
 Shaded orange area depicts substandard buildings.

PART 5 - TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 29 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is a Senior Vice President at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Philip Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

M:\13Proj\130153\400 Design\406 Reports\130153.01\Final Report\130153.01 20160205 Edina Grandview Redevelopment TIF Report.docx

APPENDICES

APPENDIX A	Property Condition Assessment Summary Sheet
APPENDIX B	Building Code and Condition Deficiencies Reports
APPENDIX C	Building Replacement Cost Reports Code Deficiency Cost Reports Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

Edina Grandview 2 Redevelopment TIF Analysis

Edina, Minnesota

Property Condition Assessment Summary Sheet

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
1	2811721310016	5146 Eden Ave	Improved	Interior/Exterior	126,996	109,849	86.5%	126,996	1	\$3,439,600	\$515,940	\$1,098,118	1	1
2	2811721310015	5146 Eden Ave	Improved	Exterior	9,000	7,291	81.0%	9,000	0					
3	2811721310014	5146 Eden Ave	Improved	Exterior	9,000	3,195	35.5%	9,000	0					
4	2811721310018	Unassigned Railroad	Improved	Exterior	43,939	38,793	88.3%	43,939	0					
5	2811721340014	Unassigned Railroad	Improved	Exterior	8,670	4,750	54.8%	8,670	0					
6	2811721340002	5145 Eden Ave	Vacant	Exterior	50,896	0	0.0%	0	0					
7	2811721310051	Unassigned	Improved	Exterior	28,304	22,765	80.4%	28,304	0					
8	2811721310021	5116 Brookside Ave	Improved	Exterior	25,200	25,200	100.0%	25,200	0					
9	2811721310022	5120 Brookside Ave	Improved	Exterior	8,400	8,400	100.0%	8,400	0					
10	2811721340005	5150 Brookside Ave	Improved	Interior/Exterior	42,503	42,503	100.0%	42,503	1	\$928,527	\$139,279	\$283,027	1	1
11	2811721340004	5220 Eden Ave	Improved	Interior/Exterior	33,403	33,403	100.0%	33,403	1	\$1,312,718	\$196,908	\$454,054	1	1
12	2811721340025	5201 Vernon Ave	Improved	Exterior	23,731	23,731	100.0%	23,731	0					
13	2811721340017	Unassigned	Improved	Exterior	7,734	7,256	93.8%	7,734	0					
14	2811721340024	5203 Vernon Ave	Improved	Exterior	20,133	20,133	100.0%	20,133	1	Note 1		Note 1		
15	2811721340016	5205 Vernon Ave	Improved	Exterior	29,492	29,492	100.0%	29,492	1	Note 1		Note 1		

TOTALS					467,401			416,505	5				3	3
---------------	--	--	--	--	----------------	--	--	---------	---	--	--	--	---	---

Total Coverage Percent:

89.1%

Note 1: This building was not inspected. Assumed not to be substandard.

Percent of buildings exceeding 15 percent code deficiency threshold:

60.0%

M:\13Proj\130153\400 Design\406 Reports\130153.01\Final Report\130153.01 20160202 Edina Grandview Redevelopment TIF Summary Spreadsheet.xlsx\Property Info

Percent of buildings determined substandard:

60.0%

APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

Edina Grandview 2 Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

March 13, 2013

Map No. & Building Name: Map No. 1 Former Public Works Facility
Address & PID: 5146 Eden Avenue, PID 28-117-21-31-0016
Inspection Date(s) & Time(s): March 12, 2013, 3:30pm
Inspection Type: Interior/Exterior

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

- Building Code deficiencies total more than 15% of replacement cost.
- Substantial renovation is required to correct Conditions found.

Estimated Replacement Cost: \$ 3,439,600
Estimated Cost to Correct Building Code Deficiencies: \$ 1,098,118
Percentage of Replacement Cost: 31.9%

Description of Condition Deficiencies

Minnesota Statutes, Section 469.174, Subdivision 10, states that a building is Structurally Substandard if it contains “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.”

Defects in Structural Elements

1. The roof does not meet current minimum slope requirements per code.
2. Interior floor slab and walls are damaged due to fire department training.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. Restroom facilities do not meet current accessibility codes.
 - b. Copper has been removed from the building, plumbing system is not functioning.
 - c. Drinking fountain near entrance lobby does not meet code.
 - d. Grease traps in the repair garage do not meet current codes.
2. Light and Ventilation
 - a. The ventilation system is not adequate in the shop area.
 - b. The cooling and heating system is not adequate in the office area.
 - c. Light fixtures are old, not energy efficient and mostly not working.
3. Fire Protection/Adequate Egress
 - a. The mezzanine stairs do not meet current codes.
 - b. Railings on all stairs do not meet current codes.
 - c. An elevator is required for access to the upper floor.
 - d. Guard rails at mezzanine spaces do not meet current codes.
4. Layout and Condition of Interior Partitions/Materials
 - a. All wall surfaces require new paint.
 - b. All interior (wall, ceiling, floor) surfaces require updating.
 - c. Windows are broken in several offices.

5. Exterior Construction

- a. Several exterior windows are broken, allowing air and water to infiltrate the building.
- b. The public entrance to the building does not have an airlock vestibule.
- c. All man doors are weathered and lightly damaged.
- d. Overhead doors have minor staining, dents and dings.
- e. The exterior wall has rust spots in various locations.
- f. Concrete block on both sides of public entrance are damaged.
- g. Areas of damage and decay are visible on roof eaves.

Overview of Condition Deficiencies

The former public works building is a large structure used for storage and maintenance of vehicles and equipment along with office functions for public works, streets, utilities, park and recreation and other miscellaneous groups. It was built in 1963 and vacated in 2010 after the City constructed a new public works facility. Overall, the building is in poor condition as a result of age and non-use. A significant amount of work would be required for this building to be made functional for a public or non-public use.

In total, the defects and deficiencies in this building are of sufficient total significance to justify substantial renovation or clearance.

Description of Code Deficiencies

1. The roof does not meet current minimum slope requirements per code.
2. Restroom facilities do not meet current accessibility codes.
3. Drinking fountain near entrance lobby does not meet code.
4. Grease traps in the repair garage do not meet current codes.
5. The ventilation system is not adequate in the shop area.
6. The cooling and heating system is not adequate in the office area.
7. The mezzanine stairs do not meet current codes.
8. Railings on all stairs do not meet current codes.
9. An elevator is required for access to the upper floor.
10. Guard rails at mezzanine spaces do not meet current codes.
11. Windows are broken allowing air and water to infiltrate the building envelope.

Energy Code

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether or not the building is substandard:

- Building's light fixtures are not energy efficient per code – T-12 fixtures.
- Building's walls and roof seem to lack adequate insulation to meet code.
- Building's windows are not energy efficient per code.

M:\13Proj\130153\400 Design\406 Reports\TIF\Public Works Building\Public Works Substandard Building Report 3-13-13.doc

Edina Grandview 2 Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

February 4, 2016

Map No. & Building Name: Parcel 10 Bus Barn
Address & PID: 5150 Brookside Avenue Edina, MN, PID: 2811721340005
Inspection Date(s) & Time(s): December 23, 2015, 10:00 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$928,527
Estimated Cost to Correct Building Code Deficiencies: \$283,027
Percentage of Replacement Cost for Building Code Deficiencies: 30.48%

Defects in Structural Elements

1. Exterior concrete block is deteriorating.
2. Exterior block walls are cracked.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. Restrooms are not code compliant.
 - b. There is no accessible route to the second floor.
 - c. Thresholds are non compliant as they are greater than 1/2 inch.
 - d. Door hardware is not code compliant for accessibility.
 - e. Staff break room sink is not code compliant for accessibility.
 - f. Stair railings are missing and not code compliant.
 - g. Stair treads and risers are not code compliant.
 - h. There is no code compliant accessible drinking fountain.
2. Light and Ventilation
 - a. Emergency lighting was not observed.
3. Fire Protection/Adequate Egress
 - a. There is no fire suppression system available.
 - b. Emergency egress is compromised by open pits.
4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls need repair and painting.

5. Exterior Construction
 - a. Fascia is rotting and in need of replacement to prevent water intrusion.
 - b. Gutters are damaged and in need of repair.
 - c. Exterior block walls are rotting and allowing for water intrusion.
 - d. Clerestory windows need to be replaced to prevent water intrusion.
 - e. Exterior block walls are cracked which are indicative of differential settlement.
 - f. Exterior walls need to be painted.

Description of Code Deficiencies

1. Repair/replace exterior CMU to prevent water intrusion per building code.
2. Install accessible restroom per accessibility code.
3. Create accessible route to second floor per accessibility code.
4. Correct thresholds to comply with accessibility code.
5. Install accessible door hardware per code.
6. Modify staff break room sink to meet accessibility code.
7. Replace interior stairs with code compliant treads and risers.
8. Install compliant hand rail on west side of interior stairs per code.
9. Install code compliant accessible drinking fountain.
10. Install fire suppression system per code.
11. Protect open service pits to allow for emergency egress per code.
12. Replace fascia to prevent water intrusion per code.
13. Replace clerestory windows to prevent water intrusion per code.
14. Paint/seal exterior block walls to prevent water intrusion per code.

Overview of Deficiencies

According to staff this building was built sometime in the 1940's. It experienced a fire about 4 year ago and upgrades to both mechanical, electrical, windows and roof were completed in about 2012. There is no accessible route to the second floor and staff must go outside to access either floor as there is no approved route inside. The service bays have open pits for work under vehicles. There is no protection from the open pits other than a four inch curb. The exterior block work is rotting and allowing for water intrusion. There are no accessible restrooms in the building. Fire suppression is also absent.

M:\13Proj\130153\400 Design\406 Reports\130153.01\Building Reports\130153.01 20160204 Parcel 10 Edina Bus Barn Building Report.doc

Edina Grandview 2 Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

February 4, 2016

Map No. & Building Name: Map No. 11 Bus Storage
Address & PID: 5220 Eden Avenue, Edina, MN PID: 2811721340004
Inspection Date(s) & Time(s): December 23, 2015, 10:45 am
Inspection Type: Interior and Exterior
Summary of Deficiencies: It is our professional opinion that this building is Substandard because:
- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost: \$1,312,718
Estimated Cost to Correct Building Code Deficiencies: \$454,054
Percentage of Replacement Cost for Building Code Deficiencies: 34.58%

Defects in Structural Elements

1. Concrete blocks are cracked which are indicative of differential settlement.
2. The interior roof support columns are rusting.

Combination of Deficiencies

1. Essential Utilities and Facilities
 - a. The restroom is not accessible per code.
 - b. Threshold heights are greater than allowed by code.
 - c. The concrete block stairs to the electrical room are in disrepair and not code compliant.
 - d. The drinking fountain is not accessible per code.
 - e. Door hardware is not code compliant for accessibility.
 - f. Water heater needs to be replaced because of age.
2. Light and Ventilation
 - a. The exhaust system in the restroom is non-compliant.
 - b. The HVAC system appears to be greater than 30 years old and is non-compliant.
 - c. Electrical service is older.
 - d. Interior HVAC system was disconnected and non-functional.
3. Fire Protection/Adequate Egress
 - a. There is no fire alarm notification system present.
 - b. The VCT tile is damaged and is a trip hazard impeding emergency egress per code.
 - c. In the event of a fire and power outage there are not enough secondary means of egress per code.
 - d. There are no emergency lights in the building.

4. Layout and Condition of Interior Partitions/Materials
 - a. Interior walls need to be painted.
 - b. Interior VCT flooring is in need of replacement.
 - c. Interior flooring in garage should be sealed.
 - d. During inspection several garage doors failed to operate.

5. Exterior Construction
 - a. Exterior block work is in need of painting/sealing to prevent water intrusion.
 - b. Exterior roof flashing is in need of repair to prevent water intrusion.
 - c. Asphalt roof needs replacement to prevent water intrusion per code.
 - d. Electrical service door was warped and did not function properly.

Description of Code Deficiencies

1. Install accessible restroom per code.
2. Modify thresholds to comply with accessibility code.
3. Paint interior structural columns to prevent rusting per code.
4. Repair concrete block stairs to electrical room and add railing per code.
5. Install accessible drinking fountain per code.
6. Install code compliant accessible door hardware.
7. Provide code required exhaust system in restroom.
8. Install code compliant HVAC system.
9. Install fire/emergency notification system per code.
10. Install fire suppression system per code.
11. Install emergency egress lighting per code.
12. Install secondary emergency exiting per code.
13. Replace damaged VCT for unimpeded egress per code.
14. Paint/seal exterior block to prevent water intrusion per code.
15. Replace roof and flashing to prevent water intrusion per code.

Overview of Deficiencies

Staff reports that this building was constructed in the 1940's and has seen little repairs or improvements for many years. The roof and the HVAC system appear to be greater than 25 years old. Water intrusion is evident in several areas and the surface of the roof is bubbled and cracked. The restroom is non-compliant for accessibility and there are no emergency lights or notification system in the building. Steel structural support columns are rusting at their bases.

M:\13Proj\130153\400 Design\406 Reports\130153.01\Building Reports\130153.01 20160204 Parcel 11 Edina Bus Storage Building Report.doc

APPENDIX C

Building Replacement Cost Reports
Code Deficiency Cost Reports
Photographs

Edina Grandview 2 Redevelopment TIF District

Replacement Cost Report

Map 1: Parcel 28-117-21-31-0016 - Public Works Facility

Square Foot Cost Estimate Report

Estimate Name:	Edina Public Works	 <p>Costs are derived from a building model with basic components. Scope differences and market conditions can cause costs to vary significantly.</p>
Building Type:	Garage, Repair with Poured Concrete / Steel Joists	
Location:	MINNEAPOLIS, MN	
Story Count:	1	
Story Height (L.F.):	20	
Floor Area (S.F.):	40888	
Labor Type:	STD	
Basement Included:	No	
Data Release:	Year 2013 Quarter 1	
Cost Per Square Foot:	\$81.82	
Building Cost:	\$3,439,600.78	

		% of Total	Cost Per S.F.	Cost
A Substructure		12.55%	9.78	399,885
A1010	Standard Foundations Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6		1.05	42,932
A1030	Slab on Grade Slab on grade, 6" thick, light industrial, reinforced		8.73	356,952
A2010	Basement Excavation Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on		0	0
A2020	Basement Walls Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12"		0	0
B Shell		25.12%	23.79	972,725.52
B1020	Roof Construction Roof, steel joists, 1.5" 22 ga metal deck, on bearing walls, 40' bay, 25.5"		6.08	248,599
B2010	Exterior Walls Concrete wall, reinforced, 8' high, 8" thick, plain finish, 3000 PSI		8.65	353,681
B2020	Exterior Windows Windows, aluminum, sliding, standard glass, 5' x 3'		0.79	32,302
B2030	Exterior Doors Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'- Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-		1.65	67,465
B3010	Roof Coverings Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite Roof edges, aluminum, duranodic, .050" thick, 6" face Gravel stop, aluminum, extruded, 4", mill finish, .050" thick		6.62	270,679
B3020	Roof Openings Skylight, plastic domes, insulated curbs, 10 SF to 20 SF, single glazing		0	0
C Interiors		7.55%	7.16	292,758
C1010	Partitions Lightweight block 4" thick		1.87	76,461
C1020	Interior Doors		0.43	17,582

		% of Total	Cost Per S.F.	Cost
C1030	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, Fittings		0.04	1,636
	Toilet partitions, cubicles, ceiling hung, stainless steel			
C3010	Wall Finishes		2.95	120,620
	2 coats paint on masonry with block filler			
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats			
	Painting, masonry or concrete, latex, brushwork, addition for block filler			
C3020	Floor Finishes		1.44	58,879
	Concrete topping, hardeners, metallic additive, minimum			
	Vinyl, composition tile, minimum			
C3030	Ceiling Finishes		0.43	17,582
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended			
D Services		36.97%	30.42	1,325,589
D2010	Plumbing Fixtures		3.49	142,699
	Water closet, vitreous china, bowl only with flush valve, wall hung			
	Urinal, vitreous china, wall hung			
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"			
	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"			
	Shower, stall, baked enamel, molded stone receptor, 30" square			
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH			
D2020	Domestic Water Distribution		0.59	24,124
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH			
D2040	Rain Water Drainage		2.08	85,047
	Roof drain, steel galv sch 40 threaded, 4" diam piping, 10' high			
	Roof drain, steel galv sch 40 threaded, 4" diam piping, for each additional			
D3050	Terminal & Package Units		10.03	410,107
	Rooftop, single zone, air conditioner, factories, 10,000 SF, 33.33 ton			
D3090	Other HVAC Systems/Equip		0.23	9,404
	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay			
	Garage, single exhaust, 3" outlet, additional bays up to seven bays			
D4010	Sprinklers		5.05	206,484
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF			
D4020	Standpipes		0	0
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor			
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe,			
D5010	Electrical Service/Distribution		0.13	5,315
	Service installation, includes breakers, metering, 20' conduit & wire, 3			
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A			
	Switchgear installation, incl switchboard, panels & circuit breaker,			
D5020	Lighting and Branch Wiring		8.72	356,543
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF			
	Miscellaneous power, 1 watt			
	Central air conditioning power, 3 watts			
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10			
D5030	Communications and Security		2.0	81,776
	Communication and alarm systems, fire detection, addressable, 25			
	Fire alarm command center, addressable with voice, excl. wire & conduit			
	Internet wiring, 4 data/voice outlets per 1000 S.F.			
D5090	Other Electrical Systems		0.1	4,089
	Generator sets, w/battery, charger, muffler and transfer switch,			

	% of Total	Cost Per S.F.	Cost
E Equipment & Furnishings	17.81%	0	0
E1030 Vehicular Equipment		0	0
Architectural equipment, auto equipment hoists, single post, 4 ton			
E1090 Other Equipment		0	0
F Special Construction	0%	0	0
G Building Sitework	0%	0	0
SubTotal	100%	\$71.15	2,990,957
Contractor Fees (General Conditions,Overhead,Profit)	10.00%	\$7.12	299,096
Architectural Fees	5.00%	\$3.56	149,548
User Fees	0.00%	\$0.00	0
Total Building Cost		\$81.82	3,439,601

Edina Grandview 2 Redevelopment TIF District

Code Deficiency Cost Report

Map 1: Parcel 28-117-21-31-0016 - Public Works Facility

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

Accessibility Items

Replace toilets to provide handicap accessibility for each sex
 Build (4) new accessible toilet rooms W/ compliant
 number of accessories and fixtures

Remove existng toilet rooms	\$ 2,250.00	Lump	3	\$	6,750.00
3 water closets	\$ 3,750.00	each	4	\$	15,000.00
3 lavs	\$ 2,500.00	each	4	\$	10,000.00
2 Urinals	\$ 2,500.00	each	2	\$	5,000.00
3 sets of grab bars	\$ 600.00	each	4	\$	2,400.00
3 sets toilet room accessories	\$ 750.00	each	4	\$	3,000.00
Interior room reconstruction (doors, partitions,finishes)	\$ 60.00	SF	500	\$	30,000.00
Reinstall toilet Room Ventilation System	\$ 1,000.00	each	4	\$	4,000.00

Interior configuration does not provide for accessible
 route. Interior handicap access route not provided
 through out building. MN 1341.0405, Item E

Add Elevator to upper level spaces

Elevator Pit and footings	\$ 8,000.00	Lump	1	\$	8,000.00
12" CMU Elevator Shaft walls	\$ 13.00	SF	1,216	\$	15,808.00
Elevator Equipment (2 stop)	\$ 44,575.00	Lump	1	\$	44,575.00
Elevator Equipment Room (Assume 64 SF)	\$ 30.00	SF	64	\$	1,920.00
Power 100 amp 3 phase					
Safety Switch	\$ 520.00	Lump	1	\$	520.00
Circuit Breaker	\$ 795.00	Lump	1	\$	795.00
Motor Starter	\$ 450.00	Lump	1	\$	450.00
Wire and Conduit Feeder (150 feet assumed)	\$ 31.00	LF	150	\$	4,650.00
Fire Alarm Connections	\$ 1,000.00	lump	1	\$	1,000.00
Emergency Phone Connection	\$ 12.00	LF	150	\$	1,800.00

Fire Seperation Items

Office area must be fire separated from Garage area

Provide new fire rated doors at existing openings 6'- 0"x 7'-0"	\$ 1,300.00	Each	2	\$	2,600.00
Provide new fire rated doors at existing openings 3'- 0"x 7'-0"	\$ 850.00	Each	5	\$	4,250.00

Exterior Envelope

Windows are 25 percent broken allowing water and air
 infiltration

Remove and replace windows	\$ 12,000.00	Allow	1	\$	12,000.00
----------------------------	--------------	-------	---	----	-----------

The existing roof slope does not meet the 1/4" per foot
 required in IBC 1507

Map 1: Parcel 28-117-21-31-0016 - Public Works Facility

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Remove existing roof above structure	\$ 0.50	SF	40,000	\$ 20,000.00
	Install new roof with tapered insulation providing proper drainage	\$ 4.00	SF	40,000	\$ 160,000.00

Exiting

Stairs do not provide for proper handrail extension at top and bottom of stair. IBC 1003.3.3.3.11.5.

	Remove existing handrails	\$ 400.00	Each	6	\$ 2,400.00
	Install new handrail	\$ 25.00	LF	240	\$ 6,000.00

Mezzanine Guard rails do not meet current code (space between bars)

	Remove existing guard rails	\$ 4.00	LF	500	\$ 2,000.00
	Install new guard rails	\$ 25.00	LF	500	\$ 12,500.00
	Provide new exit signage and emergency lighting	\$ 400.00	Each	8	\$ 3,200.00

Fire Protection

IBC Chapter 9 - Fire alarm system required in high-pile storage areas

	Update fire alarm system in storage areas	\$ 1.75	SF	10,000	\$ 17,500.00
--	---	---------	----	--------	--------------

Plumbing

Drinking fountain in entrance area is blocking path of egress

	Demolish existing drinking fountain and install code complying unit	\$ 2,500.00	EA	1	\$ 2,500.00
--	---	-------------	----	---	-------------

Mechanical- Electrical

HVAC system is insufficient for properly ventilating the garage space and for properly cooling and heating the

	Demolish existing HVAC system in office and garage areas	\$ 0.75	Allow	40,000	\$ 30,000.00
	Provide new HVAC (with electrical upgrades) for entire facility	\$ 10.00	SF	40,000	\$ 400,000.00

Electrical

Insufficient power for upgraded HVAC, lighting system largely gutted or dated

	Demo existing electrical system and remnants of light	\$ 10,000.00	Allow	1	\$ 10,000.00
	Provide new service entrance and switch gear	\$ 1.75	SF	40,000	\$ 70,000.00
	Provide new branch circuits and lighting in portions c	\$ 7.50	SF	25,000	\$ 187,500.00

Total Code Improvements \$ 1,098,118.00

\$ 3,439,600.00

31.9%

Edina Grandview 2 Redevelopment TIF District

Photos: Map No. 1, 5146 Eden Avenue, Public Works Building



IMG_7659.JPG



IMG_7660.JPG



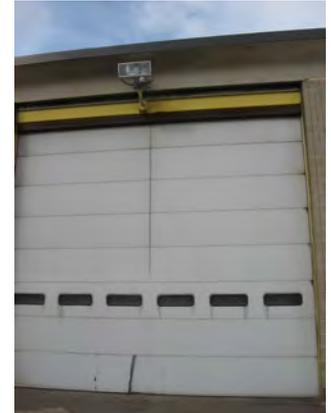
IMG_7661.JPG



IMG_7662.JPG



IMG_7663.JPG



IMG_7664.JPG



IMG_7665.JPG



IMG_7666.JPG



IMG_7667.JPG



IMG_7668.JPG



IMG_7669.JPG



IMG_7670.JPG



IMG_7671.JPG



IMG_7672.JPG



IMG_7673.JPG



IMG_7674.JPG



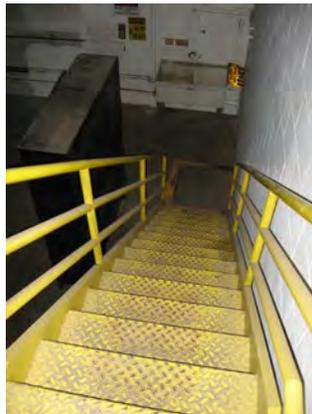
IMG_7675.JPG



IMG_7676.JPG



IMG_7677.JPG



IMG_7678.JPG



IMG_7679.JPG



IMG_7680.JPG



IMG_7681.JPG



IMG_7682.JPG



IMG_7683.JPG



IMG_7684.JPG



IMG_7685.JPG



IMG_7686.JPG



IMG_7687.JPG



IMG_7688.JPG



IMG_7689.JPG



IMG_7690.JPG



IMG_7691.JPG



IMG_7692.JPG



IMG_7693.JPG



IMG_7694.JPG



IMG_7695.JPG



IMG_7696.JPG



IMG_7697.JPG



IMG_7698.JPG



IMG_7699.JPG



IMG_7700.JPG



IMG_7701.JPG



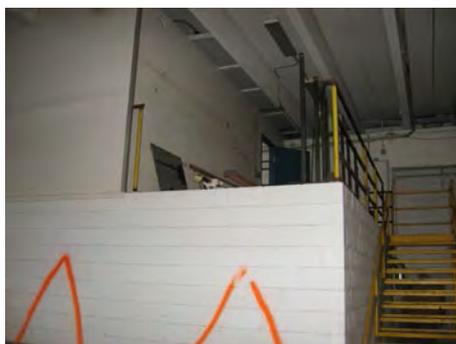
IMG_7702.JPG



IMG_7703.JPG



IMG_7704.JPG



IMG_7705.JPG



IMG_7706.JPG



IMG_7707.JPG



IMG_7708.JPG



IMG_7709.JPG



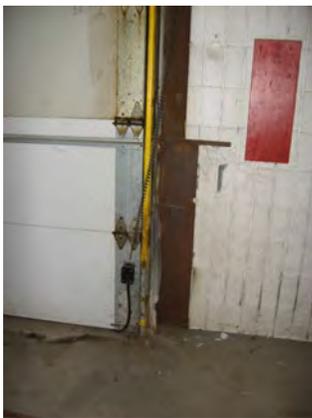
IMG_7710.JPG



IMG_7711.JPG



IMG_7712.JPG



IMG_7713.JPG



IMG_7714.JPG



IMG_7715.JPG



IMG_7716.JPG



IMG_7717.JPG



IMG_7718.JPG



IMG_7719.JPG



IMG_7720.JPG



IMG_7721.JPG



IMG_7722.JPG



IMG_7723.JPG



IMG_7724.JPG



IMG_7725.JPG



IMG_7726.JPG



IMG_7727.JPG



IMG_7728.JPG
Edina Grandview 2 Redevelopment TIF District
LHB Project No. 130153.01



IMG_7729.JPG
Page 6 of 7



IMG_7730.JPG



IMG_7731.JPG



IMG_7732.JPG



IMG_7733.JPG



IMG_7734.JPG



IMG_7735.JPG



IMG_7736.JPG



IMG_7737.JPG



IMG_7738.JPG



IMG_7739.JPG



IMG_7740.JPG

Edina Grandview 2 Redevelopment TIF District

Replacement Cost Report

Map No. 10: Parcel 2811721340005 - Bus Barn

Square Foot Cost Estimate Report

Date:

12/30/2015

Estimate Name:	5150 Brookside Avenue, Edina, Minnesota 55424	 <p>Costs are derived from a building model with basic components.</p> <p>Scope differences and market conditions can cause costs to vary significantly.</p>
Building Type:	Garage, Repair with Concrete Block / Steel Trusses	
Location:	MINNEAPOLIS, MN	
Story Count:	2	
Story Height (L.F.):	20	
Floor Area (S.F.):	6448	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2016	
Cost Per Square Foot:	\$143.36	
Building Cost:	\$928,527.41	

		% of Total	Cost Per S.F.	Cost
A Substructure		9.37%	12.21	78,749.90
A1010	Standard Foundations Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		3.34	21,556.60
A1030	Slab on Grade Slab on grade, 6" thick, light industrial, reinforced		4.19	27,038.33
A2010	Basement Excavation Excavate and fill, 10,000 SF, 4' deep, sand gravel, or common earth, on site storage		0.17	1,122.89
A2020	Basement Walls Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		4.50	29,032.08
B Shell		37.01%	48.23	319,410.23
B1020	Roof Construction Wood roof, truss, 4/12 slope, 24" O.C., 44' to 60' span		7.07	45,587.36
B2010	Exterior Walls Concrete block (CMU) wall, regular weight, 75% solid, 8 x 8 x 16, 4500 PSI, reinforced, vertical #5@32", grouted		25.64	165,336.37
B2020	Exterior Windows Windows, aluminum, sliding, standard glass, 5' x 3'		4.01	25,826.94
B2030	Exterior Doors Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		6.47	41,728.58
B3010	Roof Coverings Gable end roofing, asphalt, roof shingles, class A Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite		5.86	37,785.37
			1.1	7,099.18

		% of Total	Cost Per S.F.	Cost
B3020	Roof Openings		0.04	237.72
	Skylight, plastic domes, insulated curbs, 10 SF to 20 SF, single glazing		0.04	237.72
C Interiors		15.61%	20.34	131,135.21
C1010	Partitions		5.12	33,014.04
	Lightweight block 4" thick		1.84	11,842.08
	Concrete block (CMU) partition, light weight, hollow, 8" thick, no finish		3.28	21,171.96
C1020	Interior Doors		0.41	2,646.42
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		0.41	2,646.42
C1030	Fittings		0.25	1,604.84
	Toilet partitions, cubicles, ceiling hung, stainless steel		0.25	1,604.84
C3010	Wall Finishes		7.91	50,954.05
	2 coats paint on masonry with block filler		6.43	41,460.53
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats		0.82	5,259.76
	Painting, masonry or concrete, latex, brushwork, addition for block filler		0.66	4,233.76
C3020	Floor Finishes		6.20	39,997.58
	Carpet tile, nylon, fusion bonded, 18" x 18" or 24" x 24", 24 oz		4.7	30,305.60
	Concrete topping, hardeners, metallic additive, minimum		1.25	8,058.56
	Vinyl, composition tile, minimum		0.25	1,633.42
C3030	Ceiling Finishes		0.45	2,918.28
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support		0.45	2,918.28
D Services		38.02%	49.55	314,820.49
D1010	Elevators and Lifts		17.16	110,640.20
	Hydraulic, commercial elevator, 5000 lb, 2 floors, 100 FPM		17.16	110,640.20
D2010	Plumbing Fixtures		2.66	17,151.68
	Water closet, vitreous china, bowl only with flush valve, wall hung		1.01	6,512.48
	Urinal, vitreous china, wall hung		0.22	1,418.56
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"		0.57	3,675.36
	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"		0.56	3,610.88
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH		0.3	1,934.40
D2020	Domestic Water Distribution		0.64	4,117.67
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH		0.64	4,117.67
D3050	Terminal & Package Units		9.28	59,829.32
	Rooftop, single zone, factories, 10,000 SF, 33.33 ton		9.28	59,829.32
D3090	Other HVAC Systems/Equip		1.38	8,943.92
	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay		0.94	6,079.60
	Garage, single exhaust, 3" outlet, additional bays up to seven bays		0.44	2,864.32
D4010	Sprinklers		4.37	28,182.02
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF		4.37	28,182.02
D4020	Standpipes		0.95	6,130.35
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		0.87	5,621.91
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors		0.08	508.44
D5010	Electrical Service/Distribution		0.73	4,720.30
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		0.47	3,054.80

		% of Total	Cost Per S.F.	Cost
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		0.21	1,359.54
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 1 phase, 400 A		0.05	305.96
D5020	Lighting and Branch Wiring		8.66	55,822.14
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF		2.23	14,388.84
	Miscellaneous power, 1 watt		0.31	1,989.08
	Central air conditioning power, 3 watts		0.64	4,096.80
	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF		5.48	35,347.42
D5030	Communications and Security		3.63	23,391.89
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		2.14	13,786.44
	Fire alarm command center, addressable with voice, excl. wire & conduit		1.25	8,029.89
D5090	Other Electrical Systems		0.09	611.3
	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 15 kW		0.09	611.3
E Equipment & Furnishings		0%	0	0
E1090	Other Equipment		0	0
F Special Construction		0%	0	0
G Building Sitework		0%	0	0
SubTotal		100%	\$130.33	\$844,115.83
Contractor Fees (General Conditions,Overhead,Profit)		10.00%	\$13.03	\$84,411.58
Architectural Fees		0.00%	\$0.00	\$0.00
User Fees		0.00%	\$0.00	\$0.00
Total Building Cost			\$143.36	\$928,527.41

Edina Grandview 2 Redevelopment TIF District

Code Deficiency Cost Report

Map No. 10 - 5150 Brookside Avenue - Parcel 2811721340005

Bus Barn

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

Accessibility Items

Restroom	Install accessible restroom per code	\$ 17,151.00	Ea	2	\$ 30,434.00
Elevator	Install accessible route to second floor	\$ 110,640.00	Ea	1	\$ 110,640.00
Thresholds	Modify thresholds for accessibility code compliance	\$ 500.00	Ea	5	\$ 2,500.00
Door Hardware	Install accessible door hardware per code	\$ 250.00	Ea	5	\$ 1,250.00
Staff break room	Modify staff sink area for accessibility compliance	\$ 1,500.00	Ea	1	\$ 1,500.00
Drinking fountain	Install code compliant accessible drinking fountain	\$ 1,934.00	Ea	1	\$ 1,934.00

Structural Elements

Block walls	Repair/replace rotting CMU's to prevent water intrusion per code	\$ 1.70	SF	6,448	\$ 10,961.60
-------------	--	---------	----	-------	--------------

Exiting

Stairs	Replace interior stairs with code compliant ones	\$ 350.00	Ea	20	\$ 7,000.00
Railing	Install code compliant railings on interior and exterior stairs	\$ 500.00	Ea	2	\$ 1,000.00
Open service pits	Protect open service pits for emergency egress compliance	\$ 2,500.00	Ea	4	\$ 10,000.00

Fire Protection

Fire suppression	Install code compliant fire suppression system	\$ 5.32	SF	6,448	\$ 34,303.36
------------------	--	---------	----	-------	--------------

Exterior Construction

Fascia	Replace damaged fascia to prevent water intrusion per code	\$ 2,500.00	Lump	1	\$ 2,500.00
Window	Replace clerestory windows to prevent water intrusion per code	\$ 1,500.00	Ea	12	\$ 18,000.00
Exterior Walls					

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

	Paint/seal exterior CMU surfaces to prevent water intrusion per code	\$ 7.91	SF	6,448	\$ 51,003.68
--	--	---------	----	-------	--------------

Roof Construction

Mechanical- Electrical

Total Code Improvements \$ 283,026.64

Edina Grandview 2 Redevelopment TIF District

Photos: Map No. 10, 5150 Brookside Avenue, Bus Barn



P1060707.JPG



P1060708.JPG



P1060709.JPG



P1060710.JPG



P1060711.JPG



P1060712.JPG



P1060713.JPG



P1060714.JPG



P1060715.JPG



P1060716.JPG



P1060717.JPG



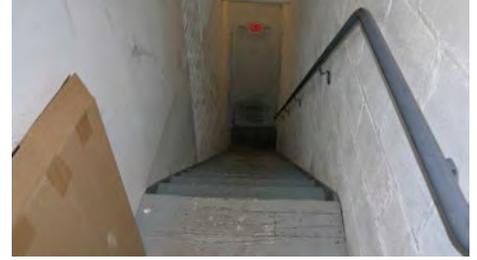
P1060718.JPG



P1060719.JPG



P1060720.JPG



P1060721.JPG



P1060722.JPG



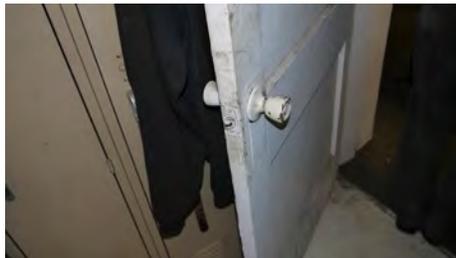
P1060723.JPG



P1060724.JPG



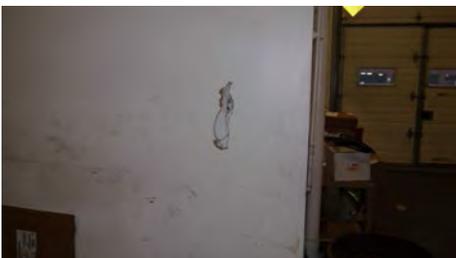
P1060725.JPG



P1060726.JPG



P1060727.JPG



P1060728.JPG



P1060729.JPG



P1060730.JPG



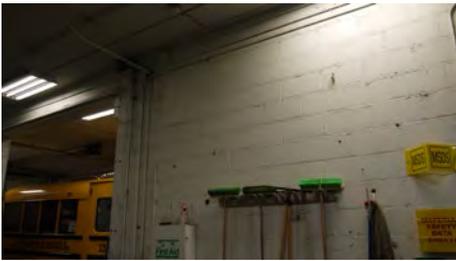
P1060731.JPG



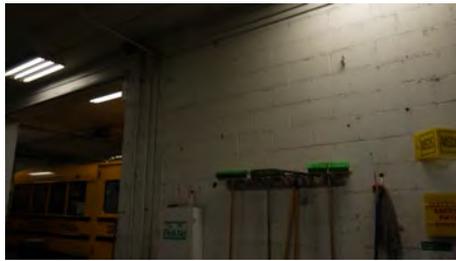
P1060732.JPG



P1060733.JPG



P1060734.JPG



P1060735.JPG



P1060736.JPG



P1060737.JPG



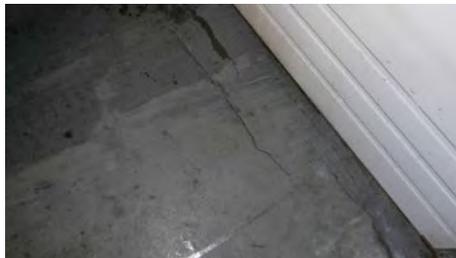
P1060738.JPG



P1060739.JPG



P1060740.JPG



P1060741.JPG



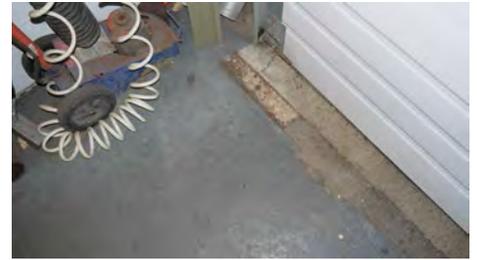
P1060742.JPG



P1060743.JPG



P1060744.JPG



P1060745.JPG



P1060746.JPG



P1060747.JPG



P1060748.JPG



P1060749.JPG



P1060750.JPG



P1060751.JPG



P1060752.JPG



P1060799.JPG



P1060800.JPG



P1060801.JPG



P1060802.JPG



P1060803.JPG



P1060804.JPG



P1060805.JPG



P1060806.JPG



P1060807.JPG



P1060808.JPG



P1060809.JPG



P1060810.JPG



P1060811.JPG



P1060812.JPG



P1060813.JPG



P1060814.JPG



P1060815.JPG



P1060816.JPG



P1060817.JPG



P1060818.JPG



P1060819.JPG



P1060820.JPG



P1060821.JPG



P1060822.JPG



P1060823.JPG



P1060824.JPG



P1060825.JPG



P1060826.JPG



P1060827.JPG



P1060828.JPG



P1060829.JPG



P1060830.JPG



P1060831.JPG



P1060832.JPG

Edina Grandview 2 Redevelopment TIF District

Replacement Cost Report

Map No. 11: Parcel 2811721340004 - Bus Storage

Square Foot Cost Estimate Report

Date:

12/30/2015

Estimate Name:	5220 Eden Avenue, Edina, Minnesota, 55424	
Building Type:	Garage, Repair with Concrete Block / Steel Joists	
Location:	MINNEAPOLIS, MN	
Story Count:	1	
Story Height (L.F.):	14	
Floor Area (S.F.):	17940	
Labor Type:	OPN	
Basement Included:	No	
Data Release:	Year 2016	
Cost Per Square Foot:	\$73.17	
Building Cost:	\$1,312,718.11	



Costs are derived from a building model with basic components.

Scope differences and market conditions can cause costs to vary significantly.

		% of Total	Cost Per S.F.	Cost
A Substructure		20.55%	13.67	245,233.77
A1010	Standard Foundations Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide		2.1	37,724.06
A1030	Slab on Grade Slab on grade, 6" thick, light industrial, reinforced		8.39	150,455.25
A2010	Basement Excavation Excavate and fill, 10,000 SF, 4' deep, sand gravel, or common earth, on site storage		0.35	6,248.32
A2020	Basement Walls Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick		2.83	50,806.14
B Shell		31.51%	20.96	376,039.57
B1020	Roof Construction Roof, steel joists, 1.5" 22 ga metal deck, on bearing walls, 40' bay, 25.5" deep, 40 PSF superimposed load, 61 PSF total load		5.59	100,197.77
B2010	Exterior Walls Concrete block (CMU) wall, regular weight, 75% solid, 8 x 8 x 16, 4500 PSI, reinforced, vertical #5@32", grouted		5.64	101,268.53
B2020	Exterior Windows Windows, aluminum, sliding, standard glass, 5' x 3'		0.88	15,819.00
B2030	Exterior Doors Door, steel 18 gauge, hollow metal, 1 door with frame, no label, 3'-0" x 7'-0" opening Door, steel 24 gauge, overhead, sectional, manual operation, 12'-0" x 12'-0" opening		1.9	34,114.56
B3010	Roof Coverings		6.95	124,639.71

		% of Total	Cost Per S.F.	Cost
	Roofing, asphalt flood coat, gravel, base sheet, 3 plies 15# asphalt felt, mopped		3.34	59,976.29
	Insulation, rigid, roof deck, composite with 2" EPS, 1" perlite		2.2	39,503.52
	Roof edges, aluminum, duranodic, .050" thick, 6" face		0.98	17,565.73
	Gravel stop, aluminum, extruded, 4", mill finish, .050" thick		0.42	7,594.17
C Interiors		15.73%	10.46	187,714.41
C1010	Partitions		5.12	91,853.58
	Lightweight block 4" thick		1.84	32,947.72
	Concrete block (CMU) partition, light weight, hollow, 8" thick, no finish		3.28	58,905.86
C1020	Interior Doors		0.41	7,363.02
	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"		0.41	7,363.02
C1030	Fittings		0.09	1,604.84
	Toilet partitions, cubicles, ceiling hung, stainless steel		0.09	1,604.84
C3010	Wall Finishes		2.89	51,808.00
	2 coats paint on masonry with block filler		1.42	25,394.58
	Painting, masonry or concrete, latex, brushwork, primer & 2 coats		0.82	14,634.02
	Painting, masonry or concrete, latex, brushwork, addition for block filler		0.66	11,779.40
C3020	Floor Finishes		1.5	26,965.58
	Concrete topping, hardeners, metallic additive, minimum		1.25	22,420.98
	Vinyl, composition tile, minimum		0.25	4,544.60
C3030	Ceiling Finishes		0.45	8,119.39
	Acoustic ceilings, 5/8" fiberglass board, 24" x 48" tile, tee grid, suspended support		0.45	8,119.39
D Services		32.21%	21.43	384,392.35
D2010	Plumbing Fixtures		2.65	47,549.91
	Water closet, vitreous china, bowl only with flush valve, wall hung		1.01	18,088.91
	Urinal, vitreous china, wall hung		0.22	3,928.78
	Lavatory w/trim, wall hung, PE on CI, 19" x 17"		0.57	10,138.08
	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"		0.56	9,965.53
	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH		0.3	5,428.61
D2020	Domestic Water Distribution		0.64	11,456.42
	Gas fired water heater, residential, 100< F rise, 30 gal tank, 32 GPH		0.64	11,456.42
D2040	Rain Water Drainage		1.94	34,759.29
	Roof drain, steel galv sch 40 threaded, 4" diam piping, 10' high		1.61	28,839.82
	Roof drain, steel galv sch 40 threaded, 4" diam piping, for each additional foot add		0.33	5,919.47
D3050	Terminal & Package Units		1.7	30,575.00
	Rooftop, single zone, air conditioner, factories, 500 SF, 1.67 ton		1.7	30,575.00
D3090	Other HVAC Systems/Equip		0.5	8,943.92
	Garage, single exhaust, 3" outlet, cars & light trucks, 1 bay		0.34	6,079.60
	Garage, single exhaust, 3" outlet, additional bays up to seven bays		0.16	2,864.32
D4010	Sprinklers		4.37	78,409.64
	Wet pipe sprinkler systems, steel, ordinary hazard, 1 floor, 10,000 SF		4.37	78,409.64
D4020	Standpipes		0.95	17,056.22

		% of Total	Cost Per S.F.	Cost
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, 1 floor		0.87	15,641.62
	Wet standpipe risers, class III, steel, black, sch 40, 4" diam pipe, additional floors		0.08	1,414.60
D5010	Electrical Service/Distribution		0.26	4,720.30
	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A		0.17	3,054.80
	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A		0.08	1,359.54
	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 1 phase, 400 A		0.02	305.96
D5020	Lighting and Branch Wiring		4.69	84,138.60
	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 watts per SF		2.23	40,033.47
	Miscellaneous power, 1 watt		0.31	5,534.13
	HID fixture, 8'-10' above work plane, 1 watt/SF, type C, 54 FC, 2 fixtures per 1000 SF		2.15	38,571.00
D5030	Communications and Security		3.63	65,082.26
	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire		2.14	38,357.42
	Fire alarm command center, addressable with voice, excl. wire & conduit		1.25	22,341.22
	Internet wiring, 4 data/voice outlets per 1000 S.F.		0.24	4,383.62
D5090	Other Electrical Systems		0.09	1,700.79
	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 15 kW		0.09	1,700.79
E Equipment & Furnishings		0%	0	0
E1090	Other Equipment		0	0
F Special Construction		0%	0	0
G Building Sitework		0%	0	0
SubTotal		100%	\$66.52	\$1,193,380.10
Contractor Fees (General Conditions,Overhead,Profit)		10.00%	\$6.65	\$119,338.01
Architectural Fees		0.00%	\$0.00	\$0.00
User Fees		0.00%	\$0.00	\$0.00
Total Building Cost			\$73.17	\$1,312,718.11

Edina Grandview 2 Redevelopment TIF District

Code Deficiency Cost Report

Map No. 11 - 5220 Eden Avenue - Parcel 2811721340004

Bus Storage

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
------	--------------------	-----------	-------	---------------	-------

Accessibility Items

Restroom	Install accessible restroom	\$ 47,459.00	Ea	1	\$ 42,031.00
Thesholds	Modify thresholds for code compliance	\$ 500.00	Ea	11	\$ 5,500.00
Drinking fountain	Install accessible drinking fountain	\$ 5,428.00	Ea	1	\$ 5,428.00
Door Hardware	Install accessible door hardware	\$ 250.00	Ea	5	\$ 1,250.00

Structural Elements

Interior structural columns	Paint columns to prevent rusting per code	\$ 1,500.00	Lump	1	\$ 1,500.00
-----------------------------	---	-------------	------	---	-------------

Exiting

Lighting	Install emergency lighting per code	\$ 3,500.00	Lump	1	\$ 3,500.00
Flooring	Replace damaged VCT for unimpeded egress per code	\$ 1.25	SF	600	\$ 750.00
Doors	Install secondary emergency exiting per code	\$ 800.00	Ea	10	\$ 8,000.00
Stairs	Repair/replace CMU stairs to meet code compliance	\$ 1,500.00	Lump	1	\$ 1,500.00

Fire Protection

Sprinkler	Install code compliant sprinkler system	\$ 5.32	SF	17,940	\$ 95,440.80
Emergency notification	Install fire notification alarming system	\$ 3.39	SF	17,940	\$ 60,816.60

Exterior Construction

Masonry block work	Paint/seal exterior block to prevent water intrusion per code	\$ 2.89	SF	17,940	\$ 51,846.60
--------------------	---	---------	----	--------	--------------

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Roof Construction					
	Roof				
	Remove existing roof	\$ 0.92	SF	17,940	\$ 16,504.80
	Replace roof to prevent water intrusion per code	\$ 5.54	SF	17,940	\$ 99,387.60
	Flashing				
	Replace metal flashing to prevent water intrusion per code	\$ 1.40	SF	17,940	\$ 25,116.00
Mechanical- Electrical					
	Mechanical				
	Replace HVAC system to meet code compliance	\$ 1.70	SF	17,940	\$ 30,498.00
	Install compliant exhaust system in restroom	\$ 500.00	Ea	1	\$ 500.00
	Electrical				
	New service for HVAC system	\$ 0.25	SF	17,940	\$ 4,485.00
Total Code Improvements					\$ 454,054.40

Edina Grandview 2 Redevelopment TIF District

Photos: Map No. 11, 5220 Eden Avenue, Bus Storage



P1060753.JPG



P1060754.JPG



P1060755.JPG



P1060757.JPG



P1060758.JPG



P1060759.JPG



P1060760.JPG



P1060761.JPG



P1060762.JPG



P1060764.JPG



P1060765.JPG



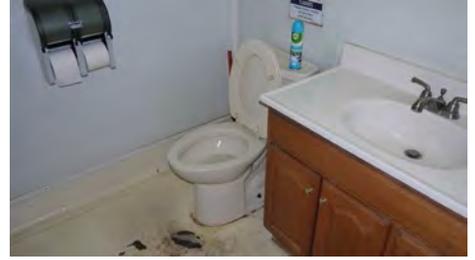
P1060766.JPG



P1060767.JPG



P1060768.JPG



P1060769.JPG



P1060770.JPG



P1060771.JPG



P1060772.JPG



P1060773.JPG



P1060774.JPG



P1060775.JPG



P1060776.JPG



P1060777.JPG



P1060778.JPG



P1060779.JPG



P1060780.JPG



P1060781.JPG



P1060782.JPG



P1060783.JPG



P1060784.JPG



P1060785.JPG



P1060786.JPG



P1060787.JPG



P1060788.JPG



P1060789.JPG



P1060790.JPG



P1060791.JPG



P1060792.JPG



P1060793.JPG



P1060794.JPG



P1060795.JPG



P1060796.JPG



P1060797.JPG



P1060798.JPG

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 the Grandview 2 Redevelopment Tax Increment Financing District (District), as required pursuant to Minnesota Statutes, Section 469.175, Subdivision 3 are as follows:

1. *Finding that the Grandview 2 Redevelopment Tax Increment Financing District is a redevelopment district as defined in M.S., Section 469.174, Subd. 10(a)(1).*

The District consists of 15 parcels, with plans to redevelop the area for commercial/industrial and residential 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 scale and type of redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. The existing development contains vacant or substandard buildings with high costs related to demolition, remediation and reconstruction of infrastructure. Together with proposed civic uses, the desired density of the redevelopment also requires up front district-wide parking, transportation and utility infrastructure investment. Because of the public cost of financing the proposed improvements, which are essential to the comprehensive redevelopment, this project is feasible only through assistance, in part, from tax increment financing.

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 potential development intensity and tax base created within the combined civic and private use redevelopment requires public improvements that are improbable without public assistance. In addition, land in the TIF District is fully developed but sites have become dilapidated because of age and obsolescence that adds to the redevelopment costs above what could be reasonably absorbed by the private marketplace. Historically, site and public improvement costs in this area 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 \$68,646,234.
 - 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 \$16,363,834.
 - 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 \$52,282,400 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for the District conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The 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 high quality development to the City.

But-For Analysis	
Current Market Value	3,787,086
New Market Value - Estimate	72,433,320
Difference	68,646,234
Present Value of Tax Increment	16,363,834
Difference	52,282,400
Value Likely to Occur Without TIF is Less Than:	52,282,400