

**MINUTES
OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY
HELD AT CITY HALL
FEBRUARY 18, 2014
8:55 p.m.**

CALL TO ORDER

Chair Hovland called the HRA meeting to order at 8:55 p.m.

ROLLCALL

Answering rollcall were Commissioners Bennett, Brindle, Sprague, Swenson and Chair Hovland.

APPROVAL OF MEETING AGENDA

Motion made by Commissioner Swenson, seconded by Commissioner Sprague approving the Meeting Agenda..

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland
Motion carried.

MINUTES OF THE REGULAR MEETING OF FEBRUARY 3, 2014 APPROVED

Motion made by Commissioner Swenson, seconded by Commissioner Bennett approving the Minutes of the Meeting of the Edina Housing and Redevelopment Authority for February 3, 2014

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland
Motion carried.

AUTHORIZATION TO FUND CAPITAL IMPROVEMENTS AT 50TH AND FRANCE PARKING RAMPS

Economic Development Manager Neuendorf noted the City Council had held a hearing on proposed parking ramp and wayfinding improvements at the 50th and France Business District. He said that Kimley-Horn had prepared a Feasibility Study for Improvements No. P-23 to the public parking ramps at 50th and France. The total proposed budget was \$5,685,000. Repair and maintenance items were estimated to cost \$3,310,000 while the estimate for capital improvements was \$2,375,000.

Continuing, Mr. Neuendorf explained the City has worked with private business owners to build, operate and maintain shared public parking to support nearly 500,000 square feet of commercial space at 50th and France. Original construction of the South, Middle and North Ramps was funded by the Edina Housing and Redevelopment Authority (HRA). Tax increment financing was typically used for construction costs. Like the current proposal, operating and maintenance costs were historically funded by the business owners who benefit from the ramps.

Mr. Neuendorf stated that \$2,375,000 was being requested from the Centennial Lakes TIF Fund to fund the improvement. He said currently the Centennial Lakes TIF Fund has a balance of approximately \$6.0 million not yet committed. That balance should increase to approximately \$9.2 million after final incremental taxes have been collected in December 2014.

Member Swenson made a motion seconded by Member Sprague authorizing the use of Centennial Lake TIF Funds to fund the proposed public parking ramp and wayfinding Improvements No. P-23 at the 50th and France Business District.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland
Motion carried.

Motion of Commissioner Bennett, seconded by Commissioner Swenson to recess the Edina Housing and Redevelopment Authority Meeting at 9:05 p.m.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

Motion of Commissioner Bennett, seconded by Commissioner Swenson to reconvene the Edina Housing and Redevelopment Authority Meeting at 10:17 p.m.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

RESOLUTION NO. 2014-2 MODIFYING SOUTHEAST EDINA REDEVELOPMENT PLAN, ESTABLISHING PENTAGON PARK TAX INCREMENT FINANCING DISTRICT AND TAX INCREMENT FINANCING PLAN.

Mr. Neuendorf stated the Pentagon Park office park, consisting of fifteen multi-tenant office buildings, was built in the late 1960s. For several decades, it was well positioned in the market place and had much success. In the past decade however, its dated layout and aging infrastructure has made it considerable less desirable. During the January 8, 2013 City Council work session, the Pentagon Park area was one of several identified as potential locations where a new Tax Increment Financing (TIF) District may be warranted.

Since 2004, the assessed valuation of the Pentagon Park properties has declined by 60%. The vacancy rate of some of the buildings far exceeds that of the marketplace. Nearly every building requires significant repair after several years of deferred maintenance. The area is in need of redevelopment so that this downward trend is reversed.

The City retained Ehlers & Associates as well as other professionals to inspect the existing buildings and prepare the TIF Plan and necessary modifications to the Redevelopment Project Area. LHB, Inc. inspected each building in recent months and determined that the proposed District satisfies the requirements for creation of a 26-year TIF Redevelopment District.

Hillcrest Development, the new owner envisions a complete transformation of the private properties in the future. While no specific design has been decided upon at this time, the future land use will include a mixture of uses and will likely require significant improvements in the public infrastructure. The establishment of a new Tax Increment Financing District would allow the City to consider a public/private partnership in the future so that the full potential of this important business/mixed use district

Following a brief discussion, **Commissioner Swenson made a motion to adopt Resolution No. 2014-02 modifying Southeast Edina Redevelopment Plan, establishing Pentagon Park Tax Increment Financing District and Tax Increment Financing Plan.** Commissioner Sprague seconded the motion.

Ayes: Bennett, Brindle, Sprague, Swenson, Hovland

Motion carried.

Chair Hovland declared the meeting adjourned at 10:18 p.m.

Respectfully submitted,

Scott Neal, Executive Director