



To: MAYOR AND COUNCIL

Agenda Item #: VIII. E.

From: Bill Neuendorf
Economic Development Manager

Action
Discussion
Information

Date: June 3, 2014

Subject: Special Assessment Policy at 50th and France Commercial Area

Action Requested:

Approve policy to clarify the method used to distribute special assessments at 50th and France Commercial Area.

Information / Background:

A \$5.8 million restoration and improvement project is to begin soon at 50th and France. Much of this repair and maintenance work will be assessed to the local business and property owners in accordance with Section 24-167 of the Edina City Code. The scope and nature of the work has been directly influenced by the members of the business community who will bear much of the costs.

The method to distribute assessments among the commercial parcels was first created in 1974 based on the buildings in operation at that time. Much has changed in the last 40 years. The method to distribute the costs of shared improvements is proposed to be updated. This policy will clarify the special assessment method in a transparent, fair and understandable manner. This policy has been revised to reflect the concerns and suggestions raised by members of the City Council at the May 6, 2014 work session. This policy will supplement the City's existing policy (August 21, 2012) that governs all types of Special Assessment projects.

Attachments:

Proposed policy dated June 3, 2014
Example of calculations

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CITY OF EDINA
POLICY

50th and France Commercial Area Method to Distribute Assessments

Background

The Edina City Code (Chapter 24, Article V) addresses the City's and property owner's responsibility related to the public parking facilities and other public infrastructure at the 50th and France Commercial Area. Section 24-167 states in part that all costs for work incurred shall be charged to each owner of each parcel of land "in proportion to the benefits conferred upon the lot or parcel."

The original concept for assessing the maintenance and operational costs for the public parking facilities and surrounding streetscaping dates back to 1974. The methodology was based on the floor area of each building (as built in 1974) plus an adjustment for buildings that were deemed to have expansion potential at that time. There have been many changes in the Commercial Area over the past 40 years and the current methodology is in need of an update.

Purpose

An updated policy will more accurately distribute the cost of shared improvements in a transparent, fair and understandable manner. This policy supplements the Special Assessment Policy revised August 21, 2012.

Methodology

Each commercially-zoned parcel will be assessed for its portion of costs related to the maintenance and operation of public parking facilities and related rights-of-way in the Commercial Area. This method shall be applied annually when the City assesses the previous year's operational and maintenance expenses and shall also be applied when the City undertakes a major restoration or improvement project that is potentially financed over multiple years. The method of distributing the costs shall be as follows:

- 1) **Usable building area.** The usable area of each building located on each improved parcel within the Commercial Area shall be identified; except that public parking facilities and existing residential units with dedicated private parking shall be excluded.

Gross building area and the usable portion of each building shall be determined using information from the Edina Assessing, Building or Fire Departments. Unusable portions of the building that are not occupied by employees or customers shall be excluded from the usable area.

- 2) **Adjusted building area.** The available on-site parking stalls (if any) shall be identified for each parcel. The total area of each commercial building shall be reduced by 200 square feet for each available parking stall that is provided on site.
- 3) **Proportional distribution.** The adjusted area of each building shall be divided by the total adjusted area of all buildings in the Commercial Area to determine the proportion of assessment that is attributed to the parcel.

**Proposed for
City Council
Consideration**

50th and France Commercial Area
Method to Distribute Assessments
 June 3, 2014

Map No.	Parcel I.D. No.	Primary Tenant or Building Name	Parcel Address	Tax Payer of Record	Gross Building Area (SF)	On-site parking stalls	200 SF reduction per stall	Assessed Area (SF)	Percent of Total Area	Notes
1	18-028-24-14-0016	Walgreens Drug	4916 France Ave, Edina MN 55410	William C Knapp	11,138	15	3,000	8,138	1.95%	3,120 SF Bsmt-unfin; 15 on-site parking stalls
2	18-028-24-14-0024	BeSpoke Salon & former Thrivent	3918 - W. 49-1/2 St, Edina MN 55424	49.5 LLC	5,441	7	1,400	4,041	0.97%	7 on-site stalls
3	18-028-24-14-0035	former Hooten Cleaners	3944 W. 49-1/2 St, Edina, MN 55424	Soon Yong Park/ Jung Ja Park	5,061	13	2,600	2,461	0.59%	907 SF bsmt mechanical; 13 on-site stalls
4	18-028-24-14-0108	U.S. Post Office	3948 W. 49-1/2 St, Edina, MN 55424	LB 49th 1/2 Street LLC	7,682	25	5,000	2,682	0.64%	1,656 SF Partial basement is employee lounge, locker rooms and two toilet rooms; 25 on-site stalls
5	18-028-24-14-0132	Spalon Montage- main		Frank Holdings LLC	11,493	0	0	11,493	2.76%	1,738 SF bsmt-finished office space
5	18-028-24-14-0133	Spalon - former house	4936 France Ave, Edina, MN 55424	Frank Holdings LLC	2,304	0	0	2,304	0.55%	884 SF bsmt-finished hair salon
5	18-028-24-14-0132 TBD	Fashion Avenue		Frank Holdings LLC	4,880	0	0	4,880	1.17%	1,586 SF bsmt; Spalon split into 3 parcels in 2014; sale pending; assessment to be split among parcels
6	18-028-24-14-0118	Gretchen House	4930 France Ave, Edina, MN 55410	OMG Properties LLC	4,567	0	0	4,567	1.10%	1,172 SF bsmt-storage
7	18-028-24-14-0020	dp Hue,	4948 France Ave, Edina, MN 55410	France Avenue Partnership	6,519	0	0	6,519	1.56%	2,851 SF bsmt-storage and tenant restrooms
8	18-028-24-14-0021	Beaujos, Papersource	3902 W. 50th St, Edina, MN 55424	France Avenue Partnership	11,394	0	0	11,394	2.73%	4,239 SF Bsmt - mainly storage and tenant restrooms except for restaurant, which uses the basement for a kitchen with dumb waiter to main floor
9	18-028-24-14-0022	Moza mia / Hot Mama	3906 W. 50th St, Edina, MN 55424	Edina Properties Inc.	31,471	0	0	31,471	7.55%	9,446 SF restaurant; 19,101 SF retail; bsmt-15,756sf is mostly finished and used with retail on 1st fl
10	18-028-24-14-0122	Al Johnson Clothing, etal	3922 W. 50th St, Edina, MN 55424	Property Administration Co	14,070	0	0	14,070	3.38%	5,901 SF retail/service; 4,844 SF prof office; 3,325 SF bsmt-storage
11	18-028-24-14-0121	AT Home Designs / Prahna	3924 W. 50th St, Edina, MN 55424	JSG Company LLP	12,960	0	0	12,960	3.11%	6,480 SF bsmt-retail, yoga studio, shower, restrooms and storage
12	18-028-24-14-0126	Edina 5-0 Mall	3930 W. 50th St, Edina, MN 55424	L A Real Estate Group, Et Al	80,265	0	0	80,265	19.26%	5,692 SF restaurant; 32,045 SF retail/service; remainder is prof office; 25,790 SF bsmt-used for office and storage
13	18-028-24-14-0046	US Bank	4100 W. 50th St, Edina, MN 55424	First Building Corporation	44,420	116	23,200	21,220	5.09%	15,314 SF bsmt-used for office and storage; 116 on-site stalls (on all parcels)
13	18-028-24-14-0044	US Bank parking	4100 W. 50th St, Edina, MN 55424	First Building Corporation	0	0	0	0	0.00%	
13	18-028-24-14-0045	US Bank drive thru	4100 W. 50th St, Edina, MN 55424	First Building Corporation	3,352	0	0	3,352	0.80%	1,676 SF bsmt-breakroom and rest rooms
13	18-028-24-14-0047	US Bank parking	4100 W. 50th St, Edina, MN 55424	First Building Corporation	0	0	0	0	0.00%	
13	18-028-24-14-0109	US Bank parking	4100 W. 50th St, Edina, MN 55424	First Building Corporation	0	0	0	0	0.00%	
14	18-028-24-41-0178	Lund's Foods	3945 W. 50th St, Edina, MN 55424	Lund Real Estate Holdings LLC	32,204	69	13,800	18,404	4.42%	3,242 SF bsmt
14	18-028-24-41-0175	Lund's Foods Parking	3945 W. 50th St, Edina, MN 55424	Lund Real Estate Holdings LLC	0	0	0	0	0.00%	69 on-site stalls (including both parcels)
15	18-028-24-41-0182	50th and France Office Building	3939 W. 50th St, Edina, MN 55424	A K Larson Family LLC	39,685	0	0	39,685	9.52%	3,796 SF restaurant, 7,551 SF retail/service, remainder is professional office; 11,662 SF Basement is mostly storage with two semi- finished tenant spaces.
16	18-028-24-41-0050	3925 Building	3917 W. 50th St, Edina, MN 55424	Edina Properties Inc.	11,826	0	0	11,826	2.84%	3,942 SF retail/service on 1st floor; 3,942 SF prof office on 2nd floor; 3,942 SF bsmt-unfin
16	18-028-24-41-0049	3925 Building	3917 W. 50th St, Edina, MN 55424	Edina Properties Inc.	24,730	0	0	24,730	5.93%	10,702 SF retail on 1st floor with 10,975 SF office above; 3,053 SF bsmt-small minimally fin office, mostly storage
17	18-028-24-41-0052	Edina Theater	3911 W. 50th St, Edina, MN 55424	JSG Company LLP	32,424	0	0	32,424	7.78%	2,136 SF retail/service with 1,943 equip mezz and remainder occupied theater spaces
18	18-028-24-41-0383	RF Moeller, Edina Grill, TCF Bank, Cos Bar	3907 W. 50th St, Edina, MN 55424	5000 France Company	22,233	0	0	22,233	5.33%	4,383 SF restaurant; remainder retail/service; residential areas above & below excluded
19	18-028-24-41-0055	Salut Bistro / Oliver & Taylor	5034 France Ave, Edina, MN 55410	France at 50th LLC	16,368	0	0	16,368	3.93%	Est. 7,436 SF restaurant; 748 SF retail/service; 8,184 SF bsmt fully finished offices
20	18-028-24-41-0066	Cocina Del Barrio	5036 France Ave, Edina, MN 55410	5036 France Property LLC	7,407	0	0	7,407	1.78%	2,560 SF bsmt- food prep; office and storage
21	18-028-24-41-0237	BMO Harris	5050 France Ave, Edina, MN 55410	Americana Bank of Edina	19,102	29	5,800	13,302	3.19%	3,200 SF bsmt-office, employee lounge, fin storage; 29 on-site parking stalls
22	18-028-24-41-0181	Edina Liquor	3943 W. 50th St, Edina, MN 55424	City of Edina	8,572	0	0	8,572	2.06%	4,286 SF basement storage
	18-028-24-14-0026	former Edina Realty	3930 W. 49-1/2 St, Edina, MN 55424	City of Edina	0	0	0	0	0.00%	14 on-site stalls
					471,568	274		416,768	100.00%	