



**To:** Members of the Edina Housing & Redevelopment Authority **Agenda Item #:** HRA VII.

**From:** Bill Neuendorf *Bill Neuendorf*  
Economic Development Manager

**Action**   
**Discussion**   
**Information**

**Date:** November 4, 2013

**Subject:** Amendment to Redevelopment Agreement with Simon Properties – Southdale Center

### Action Requested:

Authorize the Amendments to the Redevelopment and Assessment Agreements.

### Information / Background:

On April 18, 2012, the City of Edina and Edina HRA entered into the Southdale Redevelopment Agreement with Southdale Limited Partnership (aka Simon Properties, the mall owner). The owner subsequently completed the required improvements and, in fact, exceeded the minimum obligations of the agreement. Since the execution of the Redevelopment Agreement, the mall owner has split the ownership of the property among two closed related business entities. This ownership transfer was done to accommodate the development of the One Southdale Place apartments located at the southeast corner of the property.

Since the shopping mall and apartments are owned and financed separately, the mall owner requests that the One Southdale Place apartments be removed from the scope of the Southdale Redevelopment Agreement and related Assessment Agreement.

After review, staff and legal counsel concur that this amendment maintains the spirit of the original agreement and results in no negative impact to the City of Edina or Edina HRA. All obligations, including minimum assessment levels, become the exclusive burden of the remaining Southdale Center property.

It is recommended that the Edina HRA approve and authorize the attached amendments.

### Attachments:

- (1) Amendment to Redevelopment Agreement and Memorandum of Redevelopment Agreement (9 pages) and (2) Amendment to Assessment Agreement (9 pages)

**AMENDMENT TO REDEVELOPMENT AGREEMENT  
AND MEMORANDUM OF REDEVELOPMENT AGREEMENT**

THIS AMENDMENT TO REDEVELOPMENT AGREEMENT AND MEMORANDUM OF REDEVELOPMENT AGREEMENT (this “Amendment”) is made and entered into as of \_\_\_\_\_, 2013, by and among SOUTHDALÉ CENTER, LLC, a Delaware limited liability company (“Southdale”), ONE SOUTHDALÉ PLACE, LLC, a Delaware limited liability company (the “Residential Developer”), the HOUSING AND REDEVELOPMENT AUTHORITY FOR THE CITY OF EDINA, MINNESOTA, a body corporate and politic organized and existing under the Constitution of laws of the State of Minnesota (the “Authority”), and the CITY OF EDINA, MINNESOTA, a Minnesota statutory city (the “City”).

**RECITALS**

A. Southdale Limited Partnership, a Delaware limited partnership (the “Original Developer”), the Authority and the City entered into that certain Southdale Redevelopment Agreement dated as of April 18, 2012, a Memorandum of which was recorded with the Hennepin County, Minnesota, Registrar of Titles Office on June 29, 2012 as Document No. T4968728 (the “Agreement”).

B. Southdale has acquired the Mall Property (as defined below) and Residential Developer has acquired the Residential Parcel (as defined below) from the Original Developer.

C. The parties hereto desire to amend the Agreement so that the provisions hereof apply only to that real property owned by Southdale that is used and improved as Southdale Shopping Center.

NOW, THEREFORE, in consideration of the foregoing, and the mutual agreements contained herein and other good and valuable consideration by each of the parties hereto acknowledged, the parties hereto hereby agree as follows:

1. Exhibit A to the Agreement is hereby deleted in its entirety and replaced with Exhibit A-1 attached hereto. References in the Agreement to the “Property” shall hereinafter refer only to the real property legally described on Exhibit A-1 attached hereto (the “Mall Property”).

2. The property legally described on Exhibit B attached hereto (the “Residential Parcel”) is hereby released from, and shall no longer be subject to, the Agreement. The Residential Parcel is depicted on Exhibit C attached hereto.

3. Except as expressly amended herein, the terms of the Agreement are unmodified and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

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*[remainder of page intentionally left blank]*









**EXHIBIT A-1**

**THE MALL PROPERTY**

Tract A, Registered Land Survey No. 1815, Hennepin County, Minnesota.

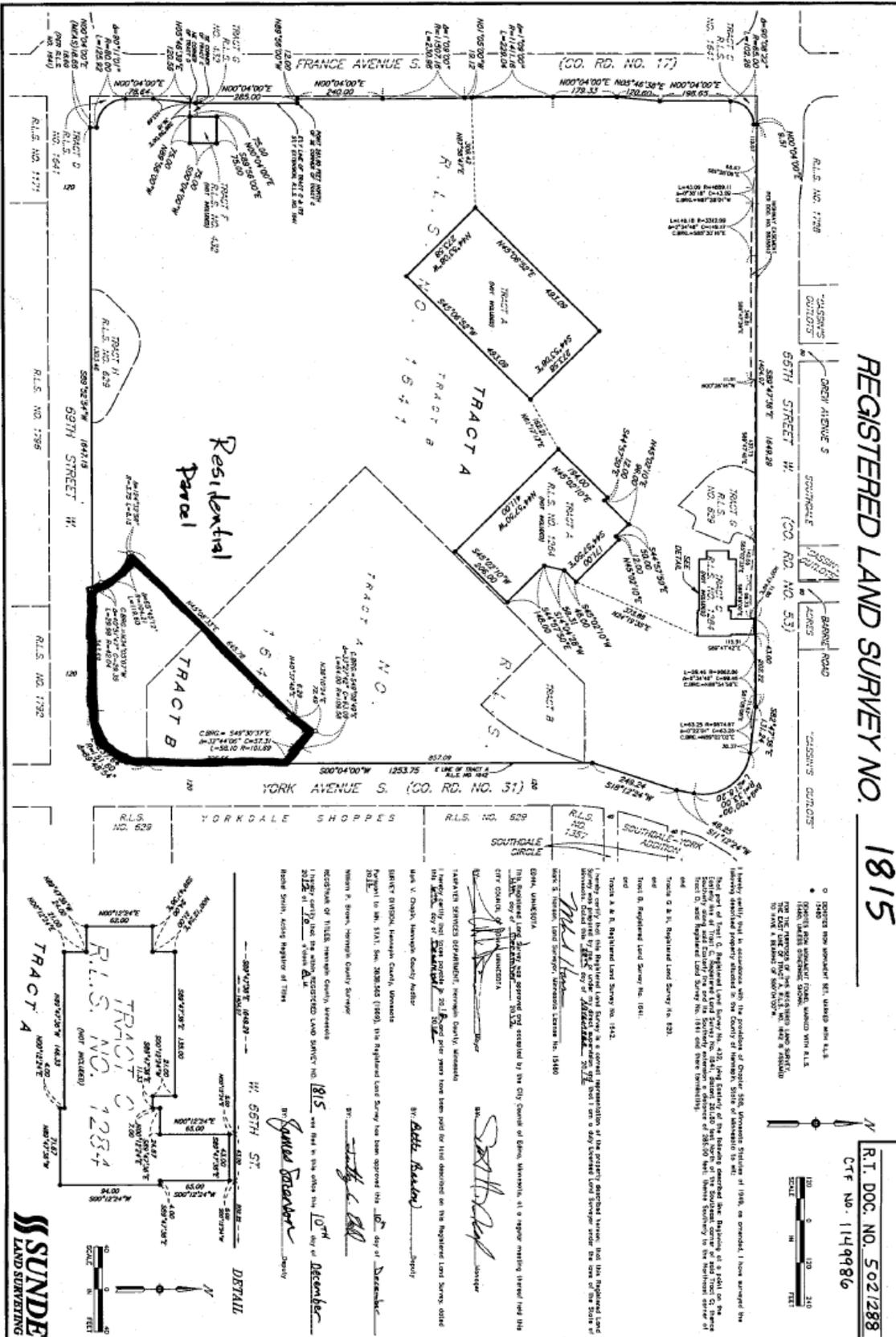
**EXHIBIT B**

**THE RESIDENTIAL PARCEL**

Tract B, Registered Land Survey No. 1815, Hennepin County, Minnesota.

EXHIBIT C

SITE PLAN IDENTIFYING THE RESIDENTIAL PARCEL



## AMENDMENT TO ASSESSMENT AGREEMENT

THIS AMENDMENT TO ASSESSMENT AGREEMENT (this “Amendment”) is made and entered into as of \_\_\_\_\_, 2013, by and among SOUTHDALÉ CENTER, LLC, a Delaware limited liability company (“Southdale”), ONE SOUTHDALÉ PLACE, LLC, a Delaware limited liability company (“Residential Developer”), and the HOUSING AND REDEVELOPMENT AUTHORITY FOR THE CITY OF EDINA, MINNESOTA, a body corporate and politic organized and existing under the Constitution of laws of the State of Minnesota (the “Authority”).

### RECITALS

A. Southdale Limited Partnership, a Delaware limited partnership (the “Original Developer”) and the Authority entered into that certain Assessment Agreement dated as of April 18, 2012, which instrument was recorded with the Hennepin County, Minnesota, Registrar of Titles Office on June 29, 2012 as Document No. T4968727 (the “Agreement”).

B. The Agreement was certified by the City Assessor for the City of Edina, Minnesota (the “Assessor”).

C. Southdale has acquired the Mall Property (as defined below) and Residential Developer has acquired the Residential Parcel (as defined below) from the Original Developer.

D. The parties hereto desire to amend the Agreement so that the provisions hereof apply only to that real property owned by Southdale that is used and improved as Southdale Shopping Center.

NOW, THEREFORE, in consideration of the foregoing, and the mutual agreements contained herein and other good and valuable consideration by each of the parties hereto acknowledged, the parties hereto hereby agree as follows:

1. The second recital in the Agreement is hereby deleted in its entirety and replaced with the following:

WHEREAS, the Authority and the Developer desire to establish a minimum market value for a portion of such Mall Property, which property is identified in the Hennepin County property tax records as parcels 29-028-24-32-0011 and 29-028-24-

33-0024 (the “Available Tax Increment Parcels,”) and the Minimum Improvements thereon, all as the same may exist from time to time pursuant to Minnesota Statutes, Section 469.177, Subdivision 8;

2. Exhibit A to the Agreement is hereby deleted in its entirety and replaced with Exhibit A-1 attached hereto.

3. The property legally described on Exhibit B attached hereto (the “Residential Parcel”) is hereby released from, and shall no longer be subject to, the Agreement. The Residential Parcel is depicted on Exhibit C attached hereto.

4. Southdale, the Residential Developer and the Authority request that the Assessor provide a certification substantially in the form of Exhibit D attached hereto.

5. Section 6 of the Agreement is hereby deleted.

6. Except as expressly amended herein, the terms of the Agreement are unmodified and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the day and year first above written.

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SOUTHDALE CENTER, LLC  
SIGNATURE PAGE  
FOR  
AMENDMENT TO ASSESSMENT AGREEMENT

SOUTHDALE CENTER, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: David J. Contis

Title: Senior Executive Vice President – President Simon Malls

STATE OF INDIANA            )  
                                          ) ss.  
COUNTY OF MARION        )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of June, 2013 by David J. Contis, the Senior Executive Vice President – President Simon Malls, of Southdale Center, LLC, a Delaware limited liability company, on behalf of the limited liability company.

\_\_\_\_\_  
Notary Public





**EXHIBIT A-1**

**THE MALL PROPERTY**

Tract A, Registered Land Survey No. 1815, Hennepin County, Minnesota.

**EXHIBIT B**

**THE RESIDENTIAL PARCEL**

Tract B, Registered Land Survey No. 1815, Hennepin County, Minnesota.



**EXHIBIT D**

**ASSESSOR'S CERTIFICATE**

The undersigned, being the duly qualified and acting assessor of the City of Edina, Minnesota, hereby certifies that:

1. I am the assessor responsible for the assessment of the Available Tax Increment Parcels described in the foregoing Assessment Agreement.

2. I have read the Assessment Agreement dated as of April 18, 2012, as amended by the foregoing Amendment dated as of \_\_\_\_\_, 2013.

3. I have received and read a duplicate original of the Development Agreement referred to in the Assessment Agreement.

4. I have received and reviewed the architectural and engineering plans and specifications for the Minimum Improvements agreed to be constructed on the Available Tax Increment Parcels pursuant to the Development Agreement.

5. I have received and reviewed an estimate prepared by the Developer of the cost of the Available Tax Increment Parcels and Minimum Improvements to be constructed thereon.

6. I have reviewed the market value previously assigned to the Available Tax Increment Parcels on which the Minimum Improvements are to be constructed, and the minimum market value to be assigned to the Available Tax Increment Parcels by the Assessment Agreement is a reasonable estimate.

7. I hereby certify that the market value assigned to the Available Tax Increment Parcels by the Assessment Agreement is reasonable and the market value assigned to the Available Tax Increment Parcels, for the market value assigned as of January 2 2012 continuing throughout the term of the Assessment Agreement, be \$115,877,000 for January 2, 2012, and \$120,000,000 beginning January 2, 2013, and increasing 2.5% per annum in each year thereafter until the termination date of the Assessment Agreement.

8. Capitalized terms, when not defined herein, shall have the meanings ascribed to them in the Assessment Agreement.

Dated \_\_\_\_\_, 2013

\_\_\_\_\_  
City Assessor, City of Edina, Minnesota