



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

From: Bill Neuendorf
Economic Development Manager

Action
Discussion
Information

Date: December 3, 2013

Subject: Resolution 2013-16
Requesting Public Hearing for Pentagon Park TIF District

Action Requested:

Adopt resolution.

Information / Background:

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. When new owners purchased the property out of foreclosure in 2012, many of the buildings were largely vacant and in need of considerable repair.

During the January 8, 2013 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. The City Council & HRA have the authority to establish a new TIF District provided that such action is in accordance with the applicable provisions of State Law.

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 new owner envisions a complete transformation of the properties in the future. While no specific design has been decided upon, 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 can be realized.

This Resolution requests that the City Council schedule a Public Hearing so that full consideration can be given to a strategy to stimulate re-investment in this declining area of the City.

Attachments:

Resolution 2013-16

EDINA HOUSING AND REDEVELOPMENT AUTHORITY
CITY OF EDINA
COUNTY OF HENNEPIN
STATE OF MINNESOTA

RESOLUTION 2013-16

**RESOLUTION REQUESTING CITY COUNCIL HOLD A PUBLIC HEARING ON
MODIFICATIONS TO THE REDEVELOPMENT PLAN FOR THE SOUTHEAST
EDINA REDEVELOPMENT PROJECT AREA AND ON A TAX INCREMENT
FINANCING PLAN ESTABLISHING A TAX INCREMENT FINANCING DISTRICT**

BE IT RESOLVED by the Board of Commissioners of the Housing and Redevelopment Authority in and for the City of Edina, Minnesota (the "HRA"), as follows:

1. The HRA is proposing that the HRA and the City of Edina consider approving modifications to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area, and a tax increment financing plan establishing the Pentagon Park Tax Increment District (the "TIF Plan").

2. The HRA requests that the Edina City Council hold a public hearing on the proposed modification to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area and on the TIF Plan.

Dated: December 3, 2013

Attest: _____
Ann Swenson, Secretary

James B. Hovland, Chair

STATE OF MINNESOTA)
COUNTY OF HENNEPIN) SS
CITY OF EDINA)

CERTIFICATE OF EXECUTIVE DIRECTOR

I, the undersigned duly appointed and acting Executive Director for the Edina Housing and Redevelopment Authority do hereby certify that the attached and foregoing Resolution is a true and correct copy of the Resolution duly adopted by the Edina Housing and Redevelopment Authority at its Regular Meeting of December 3, 2013, and as recorded in the Minutes of said Regular Meeting.

WITNESS my hand and seal of said City this _____ day of _____, _____.

Executive Director