



To: MAYOR & COUNCIL

Agenda Item #: IV. M.

From: Bill Neuendorf
Economic Development Manager

Action
Discussion
Information

Date: December 3, 2013

Subject: **Resolution 2013-126**
Calling for 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 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 calls for a Public Hearing in February 2014 so that the City Council can give full consideration to stimulating re-investment in this declining area of the City. Prior to the Hearing, the City will engage necessary consultants to investigate the use of Tax Increment Financing in this area. The cost of these studies will be borne by the current owner.

Attachments:

Resolution 2013-126

RESOLUTION 2013-126

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

BE IT RESOLVED by the City Council of the City of Edina, Minnesota, as follows:

1. The Housing and Redevelopment Authority in and for the City of Edina, Minnesota (the "HRA") has proposed that the HRA and the City 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. A public hearing on the proposed modifications to the Redevelopment Plan for the Southeast Edina Redevelopment Project Area and on the TIF Plan is hereby called and shall be held on February 18, 2014 at 7:00 o'clock p.m. in the City Council Chambers at the Edina City Hall. The City Clerk shall cause notice of the public hearing to be published in the official newspaper of the City at least once not less than ten (10) days or more than thirty (30) days prior to the date fixed for the public hearing.

Adopted by the Edina City Council this 3rd day of December, 2013.

Attest: _____

Debra A. Mangen, City Clerk

James B. Hovland, Mayor

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

CERTIFICATE OF CITY CLERK

I, the undersigned duly appointed and acting City Clerk for the City of Edina do hereby certify that the attached and foregoing City Council Minutes is a true and correct copy of the Resolution duly adopted by the Edina City Council 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 _____, 2013.

Debra A. Mangen, City Clerk