

70th & Cahill TIF Plan

DEVELOPMENT PROGRAM FOR
DEVELOPMENT DISTRICT NO. 2

and

TAX INCREMENT FINANCING PLANS FOR
TAX INCREMENT FINANCING DISTRICTS
90-1 (44th and France),
90-2 (Valley View and Wooddale)
and
90-3 (70th and Cahill),

April 2, 1990

CITY OF EDINA, MINNESOTA

TABLE OF CONTENTS

This Table of Contents is for convenience of reference only and is not part of the Development Program or the Tax Increment Financing Plan.

	<u>Page</u>
I. INTRODUCTION	1
A. Statement of Need and Statutory Authority	1
B. Definitions	1
II. DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 2	4
A. Property To Be Included in Development District	4
B. Development Plan	4
C. Operation of Development District	4
D. Estimated Capital and Administrative Costs	4
E. Property Acquisition	5
III. TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 90-1 (44TH AND FRANCE)	6
A. Statement of Objectives and Development Program	6
B. Property To Be Included in Tax Increment District	6
C. Estimated Capital and Administration Costs	6
D. Payment of Capital and Administrative Costs	6
E. Determination and Use of Tax Increment	7
F. Impact of Tax Increment Financing on Other Taxing Jurisdictions	9
IV. TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 90-2 (VALLEY VIEW AND WOODDALE)	10
A. Statement of Objectives and Development Program	10
B. Property To Be Included in Tax Increment District	10
C. Estimated Capital and Administration Costs	11
D. Payment of Capital and Administrative Costs	11
E. Determination and Use of Tax Increment	12
F. Impact of Tax Increment Financing on Other Taxing Jurisdictions	13

V.	TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 90-3 (70TH AND CAHILL)	14
	A. Statement of Objectives and Development Program	14
	B. Property To Be Included in Tax Increment District	14
	C. Estimated Capital and Administration Costs	14
	D. Payment of Capital and Administrative Costs	15
	E. Determination and Use of Tax Increment	15
	F. Impact of Tax Increment Financing on Other Taxing Jurisdictions	17
VI.	IMPLEMENTATION OF THE PROGRAM AND PLANS	18
VII.	AMENDMENTS TO PROGRAM AND PLANS	18
EXHIBITS		
	A. Map of Development District No. 2	
	B. Development Plan	
	C. List of Parcels in Tax Increment Financing District 90-1	
	D. Staff Report Evidencing Tax Increment Financing District No. 90-1 Meets Redevelopment District Criteria	
	E. Estimated Tax Increment for Tax Increment Financing District 90-1	
	F. List of Parcels in Tax Increment Financing District 90-2	
	G. Estimated Tax Increment for Tax Increment Financing District No. 90-2	
	H. List of Parcels in Tax Increment Financing District 90-3	
	I. Estimated Tax Increment for Tax Increment Financing District 90-3	

I. INTRODUCTION

A. Statement of Need and Statutory Authority. The commercial areas in City of Edina located in the vicinity of West 44th Street and France Avenue, Valley View Road and Wooddale Avenue and West 70th Street and Cahill Road currently have certain deficiencies relating to traffic circulation, parking, land use and physical development which detracts from these areas. The City Council has determined that the City may be able to assist in the alleviation of such deficiencies and that in order to provide such assistance it is necessary to include these three areas in a Development District to be designated as Development District No. 2 and to take certain action pursuant to a Development Program (the "Program").

In order to finance the capital and administration costs of the Program, it is proposed that the City adopt tax increment financing plans (the "Plans"), which provide for the creation of Tax Increment Financing Districts 90-1 (44th and France), 90-2 (Valley View and Wooddale) and 90-3 (70th and Cahill) (the "Districts").

The Program and the Plans are adopted by the City Council of the City pursuant to Minnesota Statutes, Sections 469.001 to 469.047 and 469.174 to 469.179.

B. Definitions. Each of the words and terms defined in this Section shall for all purposes of the Program and the Plan, have the meanings given to them in this Section B:

"Bonds" means the tax increment bonds and any other obligations issued by the City, the principal of and interest on which are payable in whole or in part out of the Tax Increment, to finance or provide for the payment of the Capital and Administrative Cost.

"Bond Resolution" means any and all resolutions, ordinances, trust indentures or other documents under which any Bonds are sold, issued or secured.

"Capital and Administrative Costs" means the total amount expended and to be expended by the City on Development Activities as provided in the Program and Plans.

"Captured Tax Capacity" means for such Tax Increment District that portion of the Tax Capacity for such Tax Increment District in excess of the Original Tax Capacity for such Tax Increment District as adjusted from time to time, if any.

"City" means the City of Edina, Hennepin County, Minnesota.

"Development Activities" means all actions taken or to be taken by the City or HRA in establishing, implementing and carrying out the Program.

"Development District" means Development District No. 2 of the City as established pursuant to this Program.

"HRA" means the Housing and Redevelopment Authority of Edina, Minnesota.

"Original Tax Capacity" means the Net Tax Capacity of all taxable property in the Tax Increment District as most recently determined by the Commissioner of Revenue of the State of Minnesota as of the date of certification thereof by the County Auditor pursuant to Minnesota Statutes, Section 469.177 and as thereafter adjusted and certified by the County Auditor pursuant to Minnesota Statutes, Section 469.177.

"Outstanding" when used with respect to the Bonds, means Bonds which have not been paid, redeemed or discharged in accordance with their terms or the terms of a Bond Resolution.

"Parcel" means a lot, parcel or tract of plat of land comprising a single unit for purposes of assessment for real estate tax purposes, as of the date of adoption of this Plan.

"Plans" means the Tax Increment Financing Plans for each of the Districts as approved and as supplemented and amended from time to time by the City Council of the City.

"Program" means this Development Program as supplemented and amended from time to time by the City Council of the City.

"Tax Capacity" means the net tax capacity of all taxable property in a District as determined from time to time pursuant to state law.

"Tax Capacity Rate" means with respect to taxes payable in any year the lesser of (i) the local taxing district tax capacity rates for taxes payable in such year or (ii) the "original tax capacity rate" for a Tax Increment District as defined and calculated in accordance with Minnesota Statutes, Section 469.177, Subdivision 1a.

"Tax Increment" means that portion of the ad valorem taxes generated by the extension of the Tax Capacity Rate to

the Captured Tax Capacity of taxable property in a Tax Increment District.

"Tax Increment District 90-1" means Tax Increment Financing District 90-1 (44th and France) of the City.

"Tax Increment District 90-2" means Tax Increment Financing District 90-2 (Valley View and Wooddale) of the City.

"Tax Increment District 90-3" means Tax Increment Financing District 90-3 (70th and Cahill) of the City.

"Tax Increment Districts" means collectively Tax Increment Financing District 90-1, 90-2, and 90-3.

II. DEVELOPMENT PROGRAM FOR DEVELOPMENT DISTRICT NO. 2

A. Property To Be Included in Development District. The Parcels located in the City of Edina, Hennepin County, Minnesota, set forth in Exhibit A hereto, shall constitute the Development District.

B. Development Plan. The Development Plan for the Development District appears as Exhibit B hereto. To the extent that any proposed uses in the Development Plan conflict with the City's Comprehensive Plan, such uses will not be permitted unless and until the Comprehensive Plan is amended to permit such use.

C. Operation of Development District. Unless otherwise directed by the City, the maintenance and operation of the public improvements constructed in the District will be the responsibility of the HRA, as administrator of the District. Each year the HRA will submit to the City Council the maintenance and operation budget for the Development District for the following year.

The HRA will administer the Development District pursuant to the provisions of Minnesota Statutes, Section 469.131; provided, however, that the HRA may exercise the powers listed in said Section 469.131 only at the direction of the City Council.

D. Estimated Capital and Administrative Costs. The estimated Capital and Administrative Costs of the Program are as follows:

	<u>Capital Costs</u>		
	<u>44th and France</u>	<u>Valley View and Wooddale</u>	<u>70th and Cahill</u>
Property Acquisition	\$1,330,000	\$153,800	\$529,400
Demolition	200,000	40,000	150,000
Interest Assistance	175,000	100,000	150,000
Relocation	280,000	46,000	160,000
Public Improvements (Parking, Utilities, Landscaping, Street Vacation)	530,000	190,000	175,000
Historic Building Relocation	-	-	150,000
Total	\$2,515,000	\$529,000	\$1,314,400

Financing and Administrative Costs and Contingency

Legal, Fiscal and Administrative	\$ 500,000
Capitalized Interest	750,000
Bond Discount	105,000
Contingency	<u>654,000</u>
Total	\$2,009,000

The elements and costs shown above are estimated to be necessary based upon information now available. It is anticipated that the Capital and Administrative Costs may decrease or increase. The City reserves the right to pay any of the Capital and Administrative Costs from the proceeds of Tax Increment Bonds or directly from Tax Increment.

E. Property Acquisition. In carrying out the Program the City may acquire certain property in the Development District. The Development Plan for the Development District envisions that it may be necessary for the City to acquire any right of way necessary for public improvements and to acquire the following property in the Development District to assist in the development of the property in the Development District in accordance with the Program:

44th and France Area

Edina Cleaners
Rapid Oil
Storage Garage
4532 France Avenue South
4536 France Avenue South
3916 W. 44th Street
3918 W. 44th Street
3920 W. 44th Street
3924 W. 44th Street
3930 W. 44th Street
3936 W. 44th Street

Valley View and Wooddale

Roster's
6120 Kellogg

70th and Cahill

Union Oil
Coit Warehouse

III. TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 90-1 (44TH AND FRANCE)

A. Statement of Objectives and Development Program.

See Section B of the Program.

B. Property To Be Included in Tax Increment District.

The Parcels located in the City of Edina, Hennepin County, Minnesota set forth on Exhibit C shall constitute the Tax Increment District No. 90-1.

C. Estimated Capital and Administration Costs.

1. Capital Proceeds. The capital proceeds of the project, comprising the proceeds of sale of any land acquired by the City to private developers, are expected to be \$0.00.

2. Capital and Administration Costs. The Capital and Administration Costs of the Development District, comprising the total costs expected to be incurred in carrying out the Development Activities by the City is expected to be as shown in Section D of the Program, plus interest to be paid on the Tax Increment Bonds during their term (other than interest paid from the proceeds of the Tax Increment Bonds).

3. Property to be Acquired. See Section E of the Program.

D. Payment of Capital and Administrative Costs.

1. In General. All Capital and Administrative Costs will be paid from Tax Increment either directly or indirectly by payment of debt service on Tax Increment Bonds issued to finance such cost or reimbursement for items of Capital and Administrative Costs paid directly by the City.

2. Issuance of Bonds. It is presently expected that all or a portion of the Capital and Administrative Costs will be financed by the issuance of the Tax Increment Bonds. The Tax Increment Bonds will be issued by the City under authority of Minnesota Statutes, Chapter 475, and Sections 469.174 to 469.179. The principal amount of the Bonds is expected to be \$6,370,000.

The actual principal amount of the Bonds, however, may be less than or exceed this amount, and the right to issue the Bonds in an amount greater than \$6,370,000 to finance such Capital and Administrative Costs is reserved. Similarly, the amount

allocated to capitalized interest covers interest payable on the Bonds (net of investment income on proceeds of the Bonds) at an initial rate now estimated to be approximately 8% per annum for a 18-month period; and the City reserves the right to increase or decrease the amount of capitalized interest to correspond to the interest actually payable on the Bonds over the 18-month period.

3. Security For Bonds. The Bonds will be general obligations of the City, and the City will pledge its full faith, credit and unlimited taxing powers to the payment of principal thereof and interest thereon. The principal of and interest on the Bonds are payable primarily, however, from the Tax Increments from one or more of the Tax Increment Districts and no ad valorem tax is expected to be levied for payment of the Bonds and interest thereon in the Bond Resolution. All Tax Increments will be pledged and appropriated to the payment of the Bonds and the interest thereon when due. In addition, such principal and interest will be paid from certain proceeds of the Bonds (capitalized interest) and interest earnings thereon.

4. Bond Terms. The terms of the Tax Increment Bonds are expected to be as set forth below; however, the right is reserved to adjust any and all terms of the Tax Increment Bonds to secure the best interest rate obtainable and to insure that the entire principal of and interest on the Tax Increment Bonds will be paid when due from the sources specified in paragraph 3.

The Tax Increment Bonds will be issued in one or more series, in the aggregate principal amount of \$6,370,000, will mature serially over a period of approximately twenty (20) years from the date of receipt by the City of the first Tax Increment from the Tax Increment Districts, will be subject to redemption prior to maturity, will bear a fixed rate or rates of interest from date of issue to maturity, payable semiannually commencing approximately six months after the issuance thereof, and will be sold at public or private sale.

E. Determination and Use of Tax Increment.

1. Statutory Authority and Tax Increment District 90-1 Eligibility as an Redevelopment District. Minnesota Statutes, Section 469.174, Subdivision 10 defines a "redevelopment district" as a tax increment financing district consisting of a portion of a development district which is 70% of the Parcels in which are occupied by buildings, streets, utilities or other improvements and 20% of the buildings are structurally substandard and the additional 30% of the buildings require substantial renovation or clearance to remove such existing conditions as: inadequate street layout,

incompatible uses or land use relationships, overcrowding of buildings on the land, excessive dwelling unit density, obsolete buildings not suitable for improvement or conversion, or other identified hazards to the health, safety, and general well-being of the community.

Based upon a report of City staff attached hereto as Exhibit D, the City believes Tax Increment District 90-1 is a "redevelopment district" since the conditions set forth in the preceding paragraph are satisfied with respect to Tax Increment District 90-1.

2. Original Tax Capacity. The Tax Capacity of all taxable property in Tax Increment District 90-1 as most recently certified by the Commissioner of Revenue of the State of Minnesota, being the certification made in 1989 with respect to the Tax Capacity of such property as of January 2, 1989, is \$116,578.

3. Current Tax Capacity. The current Tax Capacity of property in Tax Increment District 90-1 is \$116,578, the Original Tax Capacity.

4. Captured Tax Capacity. It is expected that the Captured Tax Capacity of all taxable property in Tax Increment District 90-1, upon completion of the improvements in Tax Increment District 90-1 described in the Program (taxes payable 2015) in Tax Increment District 90-1, will be \$177,920, computed as follows:

Estimated Tax Capacity	\$294,498
at Completion	
Less Original Tax Capacity	116,578
at Completion	
Estimated Captured Tax Capacity at Completion	<u>\$177,920</u>

5. Tax Increment Calculation. Assuming the Anticipated Private Developments occur as described and provided in the Program it is estimated that the Tax Increment to be received each year for the duration of Tax Increment District 90-1 will be as set forth in Exhibit E hereto. The estimated amount of Tax Increment set forth in Exhibit E is based upon a Tax Capacity Rate of .90098.

6. Duration of Tax Increment District 90-1. It is estimated that Tax Increment District 90-1 will remain in existence until 25 years from the date of receipt by the City

of the first Tax Increment from Tax Increment District 90-1, or until the City's obligation to pay the Tax Increment Bonds and interest has been discharged in accordance with the Bond Resolution.

7. Use of Captured Tax Capacity and Tax Increment.

Pursuant to Minnesota Statutes, Section 469.177, Subdivision 2, the City hereby determines that it will use 100% of the Captured Tax Capacity of property located in Tax Increment District 90-1, and 100% of the Tax Increments to be derived therefrom, for the entire duration of Tax Increment District 90-1.

8. Excess Tax Increment. The Tax Increment received from Tax Increment District 90-1 in any year not needed to pay debt service on the Tax Increment Bonds coming due on or before August 1 of the following year, shall be used first to reduce any ad valorem property tax levied pursuant to and in accordance with Minnesota Statutes, Section 475.61, Subdivision 3, and then shall be used to prepay or discharge outstanding Tax Increment Bonds or pay additional Capital and Administration Costs, all in accordance with the Bond Resolution.

9. Pooling of Tax Increment. Tax Increment received from Tax Increment District 90-1 will be pooled by the City with all other Tax Increment received from the Tax Increment Districts and will be available for expenditure for any Capital and Administrative Costs, whether or not such Capital and Administrative Costs are incurred with respect to property included in Tax Increment District 90-1.

F. Impact of Tax Increment Financing on Other Taxing Jurisdictions.

The local government units other than the City which are authorized by law to levy ad valorem property taxes and in which Tax Increment District 90-1 is located, are Independent School District No. 273, Hennepin County, the HRA, and various metropolitan area authorities, including the Metropolitan Council, the Metropolitan Transit Commission, the Metropolitan Airports Commission and the Metropolitan Mosquito Control District (the local government units).

The taxing jurisdictions encompassing Tax Increment District 90-1 will continue to receive taxes as if the Original Tax Capacity of Tax Increment District 90-1 were unchanged, except for the increase in Original Tax Capacity described in Part F(2) of this Plan. This precludes the jurisdictions from benefiting from a portion of the increase in Tax Capacity which results from the improvements in Tax Increment District 90-1

described in the Program or other development of the taxable property in Tax Increment District 90-1. In order to assess the impact of this on Hennepin County, Independent School District No. 273 and the City the following table indicates what percentage the anticipated Captured Tax Capacity of Tax Increment District 90-1 at the completion of the improvements in Tax Increment District 90-1 described in the Program (which occurs for taxes payable in 2015 as shown on Exhibit E hereto), is of the present total Tax Capacity for such taxing jurisdiction.

<u>Taxing Jurisdiction</u>	<u>Present Tax Capacity</u>	<u>Estimated Captured Tax Capacity at Completion of Improvements</u>	<u>Percent of Present Total Tax Capacity</u>
Hennepin County	\$1,034,463,652	\$177,920	.02%
I.S.D. No. 273	63,744,885	177,920	.28%
City of Edina	77,629,266	177,920	.23%

If Tax Increment District 90-1 were not created and the improvements occur in Tax Increment District 90-1 as described in the Program, all of the Captured Tax Capacity of Tax Increment District 90-1 would be available to the taxing jurisdictions, which would result in an increase in the tax capacity of such taxing jurisdictions in each year during the duration of Tax Increment District 90-1 in an amount equal to the Captured Tax Capacity.

IV. TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 90-2 (VALLEY VIEW AND WOODDALE)

A. Statement of Objectives and Development Program.

See Section B of the Development Program.

B. Property To Be Included in Tax Increment District.

The Parcels located in the City of Edina, Hennepin County, Minnesota set forth on Exhibit F shall constitute Tax Increment District 90-2.

C. Estimated Capital and Administration Costs.

1. Capital Proceeds. The capital proceeds of the project, comprising the proceeds of sale of any land acquired by the City to private developers, are expected to be \$0.00.

2. Capital and Administration Costs. The Capital and Administration Costs of the Development District, comprising the total costs expected to be incurred in carrying out the Development Activities by the City is expected to be as shown in Section D of the Program, plus interest to be paid on the Tax Increment Bonds during their term (other than interest paid from the proceeds of the Tax Increment Bonds).

3. Property to be Acquired. See Section E of the Program.

D. Payment of Capital and Administrative Costs. See Section D of the Plan for Tax Increment District 90-1.

E. Determination and Use of Tax Increment.

1. Statutory Authority and District Eligibility as an Economic Development District. Minnesota Statutes, Section 469.174, Subdivision 12 defines an "economic development district" as a tax increment financing district consisting of a portion of a development district which the authority finds to be in the public interest because it will discourage commerce, industry or manufacturing from moving their operations to another state, will result in increased employment in the municipality or will result in preservation and enhancement of the tax base of the municipality.

The City believes Tax Increment District 90-2 is an "economic development district" since the Development Activities to occur in Tax Increment District 90-2 will result in preservation and enhancement of the tax base of the City.

2. Original Tax Capacity. The Tax Capacity of all taxable property in Tax Increment District 90-2 as most recently certified by the Commissioner of Revenue of the State of Minnesota, being the certification made in 1989 with respect to the Tax Capacity of such property as of January 2, 1989, is \$74,536, which amount is expected to be the Original Tax Capacity of Tax Increment District 90-2, subject to adjustment of 4.24% per year pursuant to Minnesota Statutes, Section 469.177, Subdivision 1, based on the average percentage increase in the assessed valuation of property in Tax Increment District 90-2 during the last five years.

3. Current Tax Capacity. The current Tax Capacity of property in Tax Increment District 90-2 is \$74,536, the Original Tax Capacity.

4. Captured Tax Capacity. It is expected that the Captured Tax Capacity of all taxable property in Tax Increment District 90-2, upon completion of the improvements in Tax Increment District 90-2 described in the Program (taxes payable 2000) in Tax Increment District 90-2, will be \$10,468, computed as follows:

Estimated Tax Capacity	\$123,373
at Completion	
Less Original Tax Capacity	112,904
at Completion	
Estimated Captured Tax Capacity at Completion	<u>\$ 10,468</u>

5. Tax Increment Calculation. Assuming the improvements in Tax Increment District 90-2 occur as described and provided in the Program hereto it is estimated that the Tax Increment to be received each year for the duration of Tax Increment District 90-2 will be as set forth in Exhibit G hereto. The estimated amount of Tax Increment set forth in Exhibit G is based upon a Tax Capacity Rate of .90098.

6. Duration of the Tax Increment District 90-2. It is estimated that Tax Increment District 90-2 will remain in existence until the 8 years from the date of receipt of the first Tax Increment from Tax Increment District 90-2 or 10 years from the date of approval of this Plan, whichever is earlier, or until the City's obligation to pay the Tax Increment Bonds and interest has been discharged in accordance with the Bond Resolution.

7. Use of Captured Tax Capacity and Tax Increment. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 2, the City hereby determines that it will use 100% of the Captured Tax Capacity of property located in Tax Increment District 90-2, and 100% of the Tax Increments to be derived therefrom, for the entire duration of Tax Increment District 90-2.

8. Excess Tax Increment. The Tax Increment received from Tax Increment District 90-2 in any year not needed to pay debt service on the Tax Increment Bonds coming due on or before August 1 of the following year, shall be used first to reduce any ad valorem property tax levied pursuant to and in accordance

with Minnesota Statutes, Section 475.61, Subdivision 3, and then shall be used to prepay or discharge outstanding Tax Increment Bonds or pay additional Capital and Administration Costs, all in accordance with the Bond Resolution.

9. Pooling of Tax Increment. Tax Increment received from Tax Increment District 90-2 will be pooled by the City with all other Tax Increment received from the Tax Increment Districts and will be available for expenditure for any Capital and Administrative Costs, whether or not such Capital and Administrative Costs are incurred with respect to property included in Tax Increment District 90-2.

F. Impact of Tax Increment Financing on Other Taxing Jurisdictions.

The local government units other than the City which are authorized by law to levy ad valorem property taxes and in which Tax Increment District 90-2 is located, are Independent School District No. 273, Hennepin County, the HRA, and various metropolitan area authorities, including the Metropolitan Council, the Metropolitan Transit Commission, the Metropolitan Airports Commission and the Metropolitan Mosquito Control District (the local government units).

The taxing jurisdictions encompassing Tax Increment District 90-2 will continue to receive taxes as if the Original Tax Capacity of Tax Increment District 90-2 were unchanged, except for the increase in Original Tax Capacity described in Part F(2) of this Plan. This precludes the jurisdictions from benefiting from a portion of the increase in Tax Capacity which results from the improvements in Tax Increment District 90-2 described in the Program or other development of the taxable property in Tax Increment District 90-2. In order to assess the impact of this on Hennepin County, Independent School District No. 273 and the City the following table indicates what percentage the anticipated Captured Tax Capacity of Tax Increment District 90-2 at the completion of the improvements in Tax Increment District 90-2 described in the Program (which occurs for taxes payable in 2000 as shown on Exhibit G hereto), is of the present total Tax Capacity for such taxing jurisdiction.

<u>Taxing Jurisdiction</u>	<u>Present Tax Capacity</u>	<u>Estimated Captured Tax Capacity at Completion of Improvements</u>	<u>Percent of Present Total Tax Capacity</u>
Hennepin County	\$1,034,463,652	\$10,468	less than .01%
I.S.D. No. 273	63,744,885	10,468	.02%
City of Edina	77,629,266	10,468	.01%

If Tax Increment District 90-2 were not created and the improvements occur in Tax Increment District 90-2 as described in the Program, all of the Captured Tax Capacity of Tax Increment District 90-2 would be available to the taxing jurisdictions, which would result in an increase in the tax capacity of such taxing jurisdictions in each year during the duration of Tax Increment District 90-2 in an amount equal to the Captured Tax Capacity.

V. TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 90-3 (70TH AND CAHILL)

A. Statement of Objectives and Development Program.

See Section A of the Development Program.

B. Property To Be Included in Tax Increment District 90-3.

The Parcels located in the City of Edina, Hennepin County, Minnesota set forth on Exhibit H shall constitute Tax Increment District 90-3.

C. Estimated Capital and Administration Costs.

1. Capital Proceeds. The capital proceeds of the project, comprising the proceeds of sale of any land acquired by the City to private developers, are expected to be \$0.00.

2. Capital and Administration Costs. The Capital and Administration Costs of the Development District, comprising the total costs expected to be incurred in carrying out the Development Activities by the City is expected to be as shown in Section D of the Program, plus interest to be paid on the Tax Increment Bonds during their term (other than interest paid from the proceeds of the Tax Increment Bonds).

3. Property to be Acquired. See Section E of the Program.

D. Payment of Capital and Administrative Costs. See Section D of the plan for Tax Increment District 90-1.

E. Determination and Use of Tax Increment.

1. Statutory Authority and District Eligibility as an Economic Development District. Minnesota Statutes, Section 469.174, Subdivision 12 defines an "economic development district" as a tax increment financing district consisting of a portion of a development district which the authority finds to be in the public interest because it will discourage commerce, industry or manufacturing from moving their operations to another state, will result in increased employment in the municipality or will result in preservation and enhancement of the tax base of the municipality.

The City believes Tax Increment District 90-3 is an "economic development district" since the Development Activities to occur in Tax Increment District 90-3 will result in the preservation and enhancement of the tax base of the City.

2. Original Tax Capacity. The Tax Capacity of all taxable property in Tax Increment District 90-3 as most recently certified by the Commissioner of Revenue of the State of Minnesota, being the certification made in 1989 with respect to the Tax Capacity of such property as of January 2, 1989, is \$270,426, which amount is expected to be the Original Tax Capacity of Tax Increment District 90-3, subject to adjustment of 5.10% per year pursuant to Minnesota Statutes, Section 469.177, Subdivision 1, based on the average percentage increase in the assessed valuation of property in Tax Increment District 90-3 during the last five years.

3. Current Tax Capacity. The current Tax Capacity of property in Tax Increment District 90-3 is \$270,426, the Original Tax Capacity.

4. Captured Tax Capacity. It is expected that the Captured Tax Capacity of all taxable property in Tax Increment District 90-3, upon completion of the improvements in Tax Increment District 90-3 (taxes payable 2000) in Tax Increment District 90-3, will be \$306,941, computed as follows:

Estimated Tax Capacity	\$751,650
at Completion	
Less Original Tax Capacity	444,709
at Completion	
Estimated Captured Tax Capacity at Completion	<u>\$306,941</u>

5. Tax Increment Calculation. Assuming the improvements in Tax Increment District 90-3 occur as described and provided in the Program hereto it is estimated that the Tax Increment to be received each year for the duration of Tax Increment District 90-3 will be as set forth in Exhibit I hereto. The estimated amount of Tax Increment set forth in Exhibit I is based upon a Tax Capacity Rate of .90290.

6. Duration of the Tax Increment District 90-3. It is estimated that Tax Increment District 90-3 will remain in existence until the 8 years from the date of receipt of the first Tax Increment from Tax Increment District 90-3 or 10 years from the date of approval of this Plan, whichever is earlier, or until the City's obligation to pay the Tax Increment Bonds and interest has been discharged in accordance with the Bond Resolution.

7. Use of Captured Tax Capacity and Tax Increment. Pursuant to Minnesota Statutes, Section 469.177, Subdivision 2, the City hereby determines that it will use 100% of the Captured Tax Capacity of property located in Tax Increment District 90-3, and 100% of the Tax Increments to be derived therefrom, for the entire duration of Tax Increment District 90-3.

8. Excess Tax Increment. The Tax Increment received from Tax Increment District 90-3 in any year not needed to pay debt service on the Tax Increment Bonds coming due on or before August 1 of the following year, shall be used first to reduce any ad valorem property tax levied pursuant to and in accordance with Minnesota Statutes, Section 475.61, Subdivision 3, and then shall be used to prepay or discharge outstanding Tax Increment Bonds or pay additional Capital and Administration Costs, all in accordance with the Bond Resolution.

9. Pooling of Tax Increment. Tax Increment received from Tax Increment District 90-3 will be pooled by the City with all other Tax Increment received from the Tax Increment Districts and will be available for expenditure for any Capital and Administrative Costs, whether or not such Capital and Administrative Costs are incurred with respect to property included in Tax Increment District 90-3.

F. Impact of Tax Increment Financing on Other Taxing Jurisdictions.

The local government units other than the City which are authorized by law to levy ad valorem property taxes and in which Tax Increment District 90-3 is located, are Independent School District No. 273, Hennepin County, the HRA, and various metropolitan area authorities, including the Metropolitan Council, the Metropolitan Transit Commission, the Metropolitan Airports Commission and the Metropolitan Mosquito Control District (the local government units).

The taxing jurisdictions encompassing Tax Increment District 90-3 will continue to receive taxes as if the Original Tax Capacity of Tax Increment District 90-3 were unchanged, except for the increase in Original Tax Capacity described in Part F(2) of this Plan. This precludes the jurisdictions from benefiting from a portion of the increase in Tax Capacity which results from the improvements in Tax Increment District 90-3 described in the Program or other development of the taxable property in Tax Increment District 90-3. In order to assess the impact of this on Hennepin County, Independent School District No. 273 and the City the following table indicates what percentage the anticipated Captured Tax Capacity of Tax Increment District 90-3 at the completion of the improvements in Tax Increment District 90-3 described in the Program (which occurs for taxes payable in 2000 as shown on Exhibit I hereto), is of the present total Tax Capacity for such taxing jurisdiction.

<u>Taxing Jurisdiction</u>	<u>Present Tax Capacity</u>	<u>Estimated Captured Tax Capacity at Completion of Improvements</u>	<u>Percent of Present Total Tax Capacity</u>
Hennepin County	\$1,034,463,652	\$306,941	.03%
I.S.D. No. 273	63,744,885	306,941	.48%
City of Edina	77,629,266	306,941	.40%

If Tax Increment District 90-3 were not created and the improvements occur in Tax Increment District 90-3 as described in the Program, all of the Captured Tax Capacity of Tax Increment District 90-3 would be available to the taxing jurisdictions, which would result in an increase in the tax

capacity of such taxing jurisdictions in each year during the duration of Tax Increment District 90-3 in an amount equal to the Captured Tax Capacity.

VI. IMPLEMENTATION OF THE PROGRAM AMENDMENT AND PLANS

The Program and the Plans shall be implemented on behalf of the City by the City Council and the HRA as administrator of the Program. The City shall sell and issue Tax Increment Bonds in the amounts needed to finance the Capital and Administrative Costs, less any portion thereof to be paid directly from Tax Increment and shall use so much of the proceeds of the Tax Increment Bonds available and Tax Increment derived from the Districts to pay such Capital and Administrative Costs as is necessary.

VII. AMENDMENTS TO PROGRAM AND PLANS

The City reserves the right to amend the Program and the Plans, subject to the provisions of state law regulating such action.

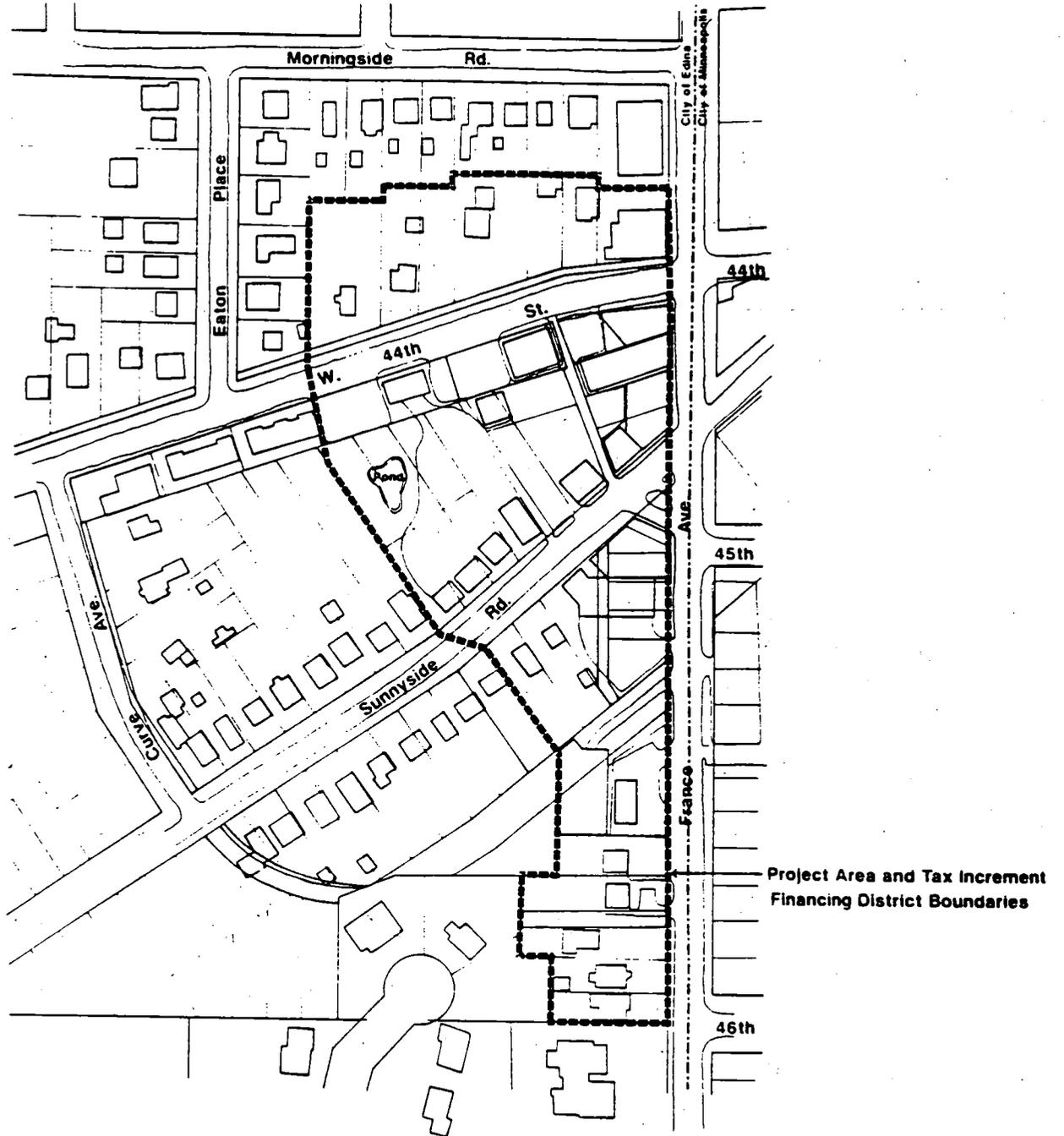
The City specifically reserves the right to enlarge the geographic area included in any District, to increase the Capital and Administrative Costs and the principal amount of Tax Increment Bonds to be issued to finance such Capital and Administrative Costs, by following the procedures specified in Section 469.175, Subdivision 4, if and when it is determined to be necessary for the payment of additional Capital and Administrative Costs.

This Program and Tax Increment Financing Plans were adopted by the City Council of the City of Edina, Minnesota on the 2nd day of April, 1990.

Mayor

City Manager

Map of Development District No. 2



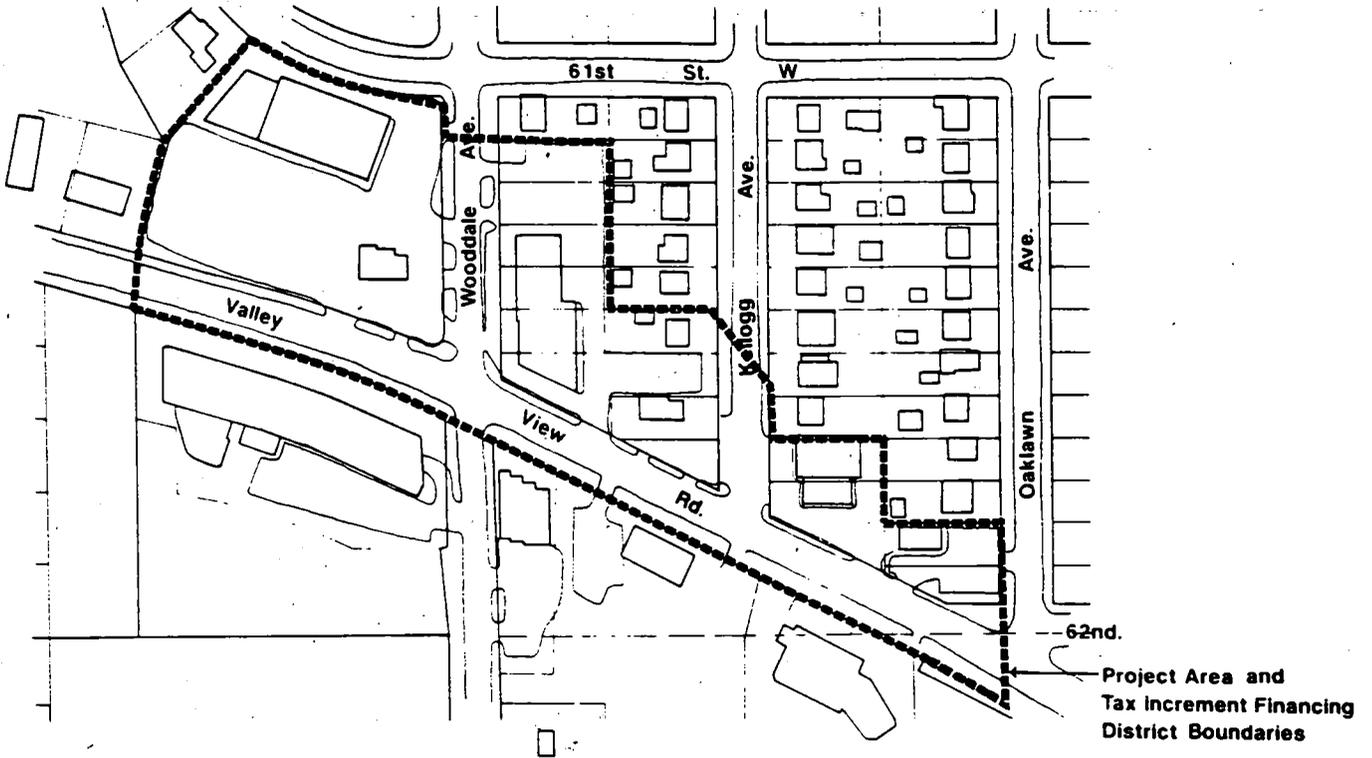
Project Area and Tax Increment Financing District Boundaries

CITY OF EDINA
PROJECT AREA PLANS
44TH AND FRANCE AVE.
Hoisington Group Inc.

A scale bar at the bottom of the plan area shows distances of 0, 100, 200, and 300 feet. An arrow points upwards from the right end of the scale bar.

Figure 1

PLAN AREA



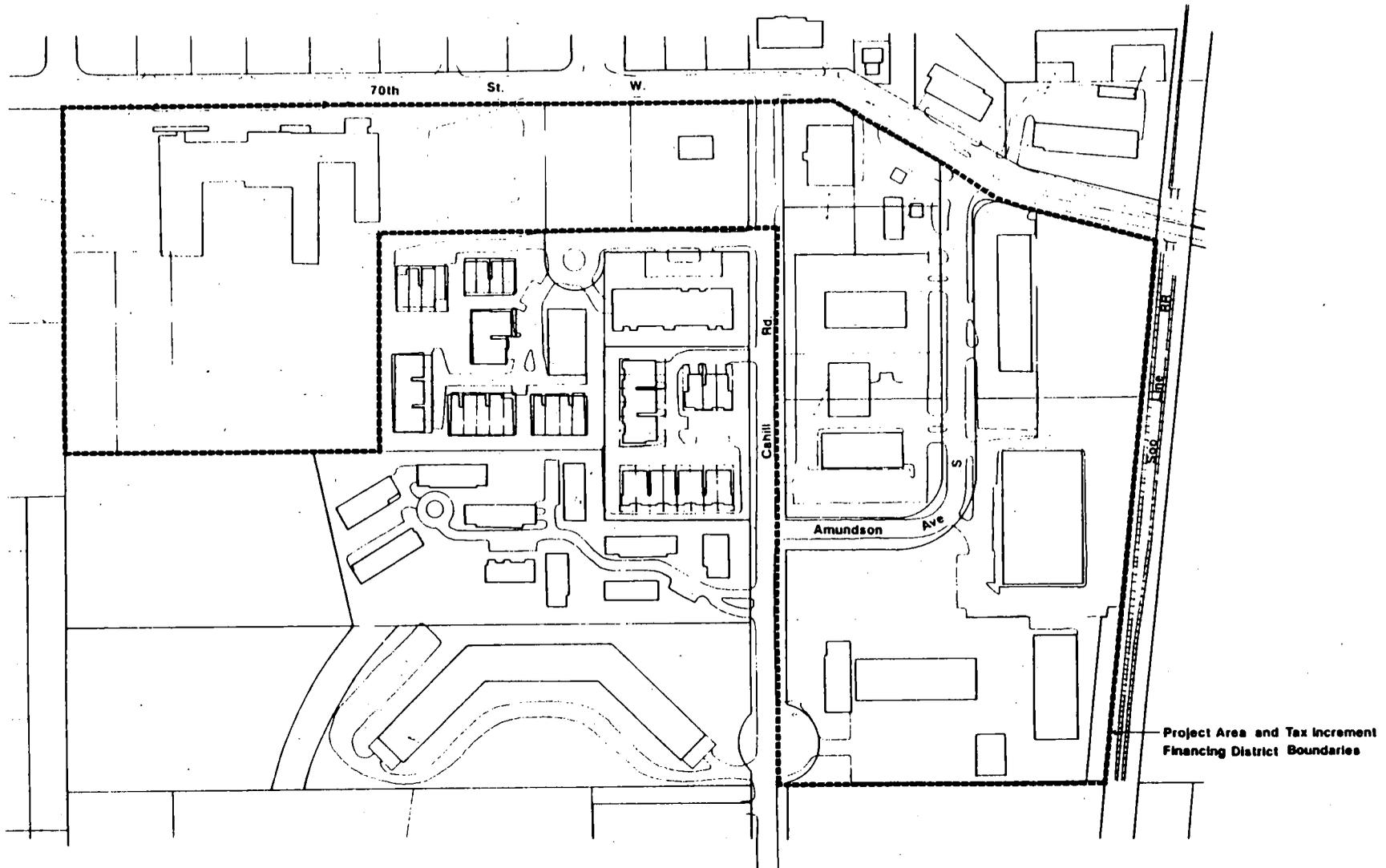
CITY OF EDINA

PROJECT AREA PLANS

WOODDALE AND VALLEYVIEW AVE.

Hoisington Group Inc.

Figure 1
PLAN AREA



CITY OF EDINA

PROJECT AREA PLANS

70TH AND CAHILL AVE.

Holsington Group Inc.



Figure 1

PLAN AREA

EXHIBIT B

70TH STREET AND CAHILL ROAD DEVELOPMENT PLAN

SUMMARY

The 70th Street and Cahill Road Plan Area is a diverse mix of residential, commercial and industrial uses. The area developed primarily between 1950 and 1975.

Problems in the Plan Area are generally related to a lack of vitality and unity in purpose (land use, market appeal, tenant mix and image), and physical development (architecture, traffic circulation, identification, site grading and landscaping).

Despite these shortcomings, the Plan Area enjoys a good location. It has the potential to serve the southwest Edina area and be an asset to the entire community. Such success is possible through the incorporation of the proposed Development Plan which, in general, seeks to improve the compatibility of land uses and upgrade the physical environment to contemporary user standards.

Specific details about the Plan Area and Development Plan are contained in the following pages. The Contents are as follows:

INVENTORY

1. Location
2. Existing Land Use
3. Natural Features
4. Utilities
5. Traffic Circulation
6. Existing Plans

PROBLEM ASSESSMENT

1. Land Use
2. Physical Development

DEVELOPMENT PLAN

1. Goals and Objectives
 2. Land Use
 3. Physical Development
 4. Relocation
 5. Development Projects
- * Public Improvements
 - * Residential Project
 - * Retail Project

INVENTORY

PART 1 - LOCATION

The Plan Area is illustrated on Figure 1. The specific area for consideration is bounded by 70th Street to the north, the railroad right-of-way to the east, the northern boundary (from east to west) of the Gabberts building, Village Drive Extended and the City of Edina park open space property to the south, and the rear lot lines of the single family homes fronting on Lanham Lane and Lee Valley Circle to the west. Existing conditions within the Plan Area are shown on Figure 2.

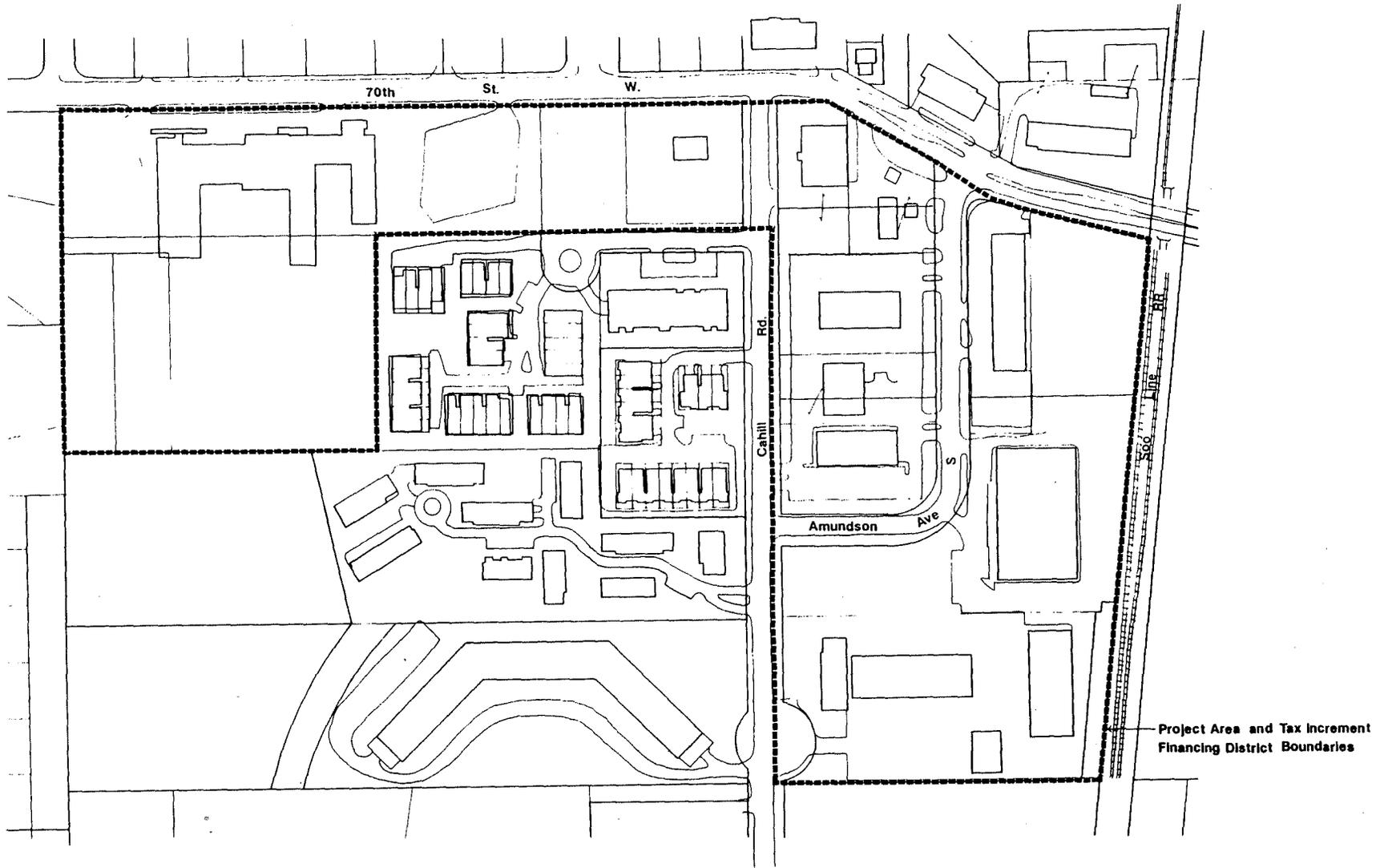
PART 2 - EXISTING LAND USE

Land use in the Plan Area covers a full spectrum of uses. Five zoning districts are spread across the 17 parcels in the Plan Area. Eight land owners control the 11 buildings which accommodate approximately 25 business entities.

The zoning districts and their associated uses are as follows:

1. R-1, Single Dwelling Unit District

Associated Land Use Plan Designation: Single Family Residential and



CITY OF EDINA

PROJECT AREA PLANS

70TH AND CAHILL AVE.

Holsington Group Inc.

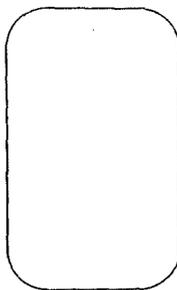
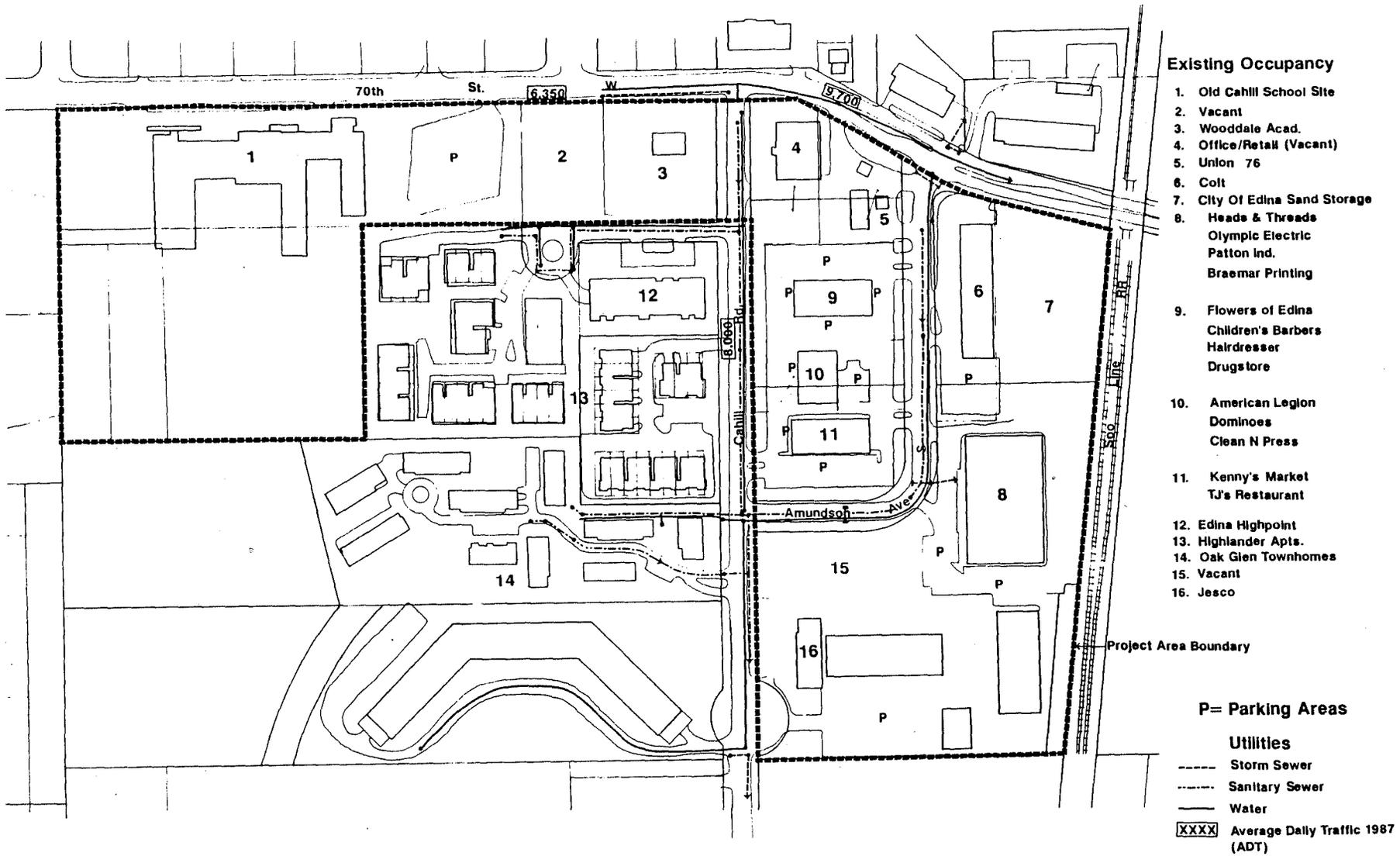


Figure 1

PLAN AREA



CITY OF EDINA

PROJECT AREA PLANS

70TH AND CAHILL AVE.

Hoisington Group Inc.

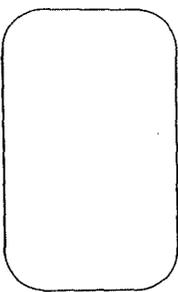


Figure 2
EXISTING CONDITIONS

Low Density Attached Residential

- * 5 Parcels
- * 1 Building
- * Private reuse of a former Edina school building for a Montessori School and offices.

2. HPD, Heritage Preservation District (Overlay R-1)

Associated Land Use Plan Designation: Low Density Attached Residential

- * 1 Parcel
- * 1 Building
- * Formerly St. Patricks Church, circa 1925, now used by a community theater group.

3. PC-2, Planned Commercial District

Associated Land Use Plan Designation: Commercial

- * 4 Parcels
- * 4 Buildings
- * Multi-tenant neighborhood scale retail uses. One building is currently vacant.

4. PC-4, Planned Commercial District

Associated Land Use Plan Designation: Commercial

- * 1 Parcel

- * Building
- * Automobile service station

5. PID, Planned Industrial District

Associated Land Use Plan Designation: Industrial

- * 6 Parcels
- * 4 Buildings
- * Light industrial uses including processing and storage facilities.

PART 3 - NATURAL FEATURES

The Plan Area comprises approximately 27 acres. The Plan Area is essentially completely developed, however, land to building ratios are relatively high particularly west of Cahill Road. Open space in this area is comprised of woods and steep slopes. Steep slopes are also present east of Cahill Road, east of the commercial area and east of the 7075 Amundson building. There is also a grade separation which divides the commercial land east of Cahill into north and south components.

The Plan Area is a part of the Nine Mile Creek Watershed District. Drainage from the area flows to the south along Cahill Road and east along West 70th Street.

PART 4 - UTILITIES

All private utilities, except natural gas, are routed above ground.

PART 5 - TRAFFIC CIRCULATION

Within the Plan Area is the intersection of Cahill Road and West 70th Street. Both Cahill Road and 70th Street are classified as Collector streets. Vehicles counts on Cahill are at 8000 per day and at 70th Street are at 9700 east of Cahill, and 6350 west of Cahill. Cahill Road was constructed as an industrial road with a nine ton capacity. Amundson Road, to the east of Cahill Road is classified as a local street.

Sidewalks in the Plan Area are along the west side of Cahill Road and west of Cahill Road along the south side of 70th Street. There are no sidewalks east of Cahill Road around commercial or industrial properties.

Parking in the Plan Area is contained in private lots. There has not been a shortage of parking at any of the buildings in the Plan Area.

EXISTING PLANS

The Plan Area has been discussed in part in the Edina Comprehensive Plan which was adopted in 1981. A land use designation amendment in early 1990 included land within the Plan Area.

Of the four neighborhood commercial areas identified in the Comprehensive Plan, the retail area in this Plan Area was the only neighborhood center in which major land use changes or redevelopment was not anticipated. The Comprehensive Plan did say, however, that the City should encourage the provision of establishments at the retail area which better serves the shopping needs of the area.

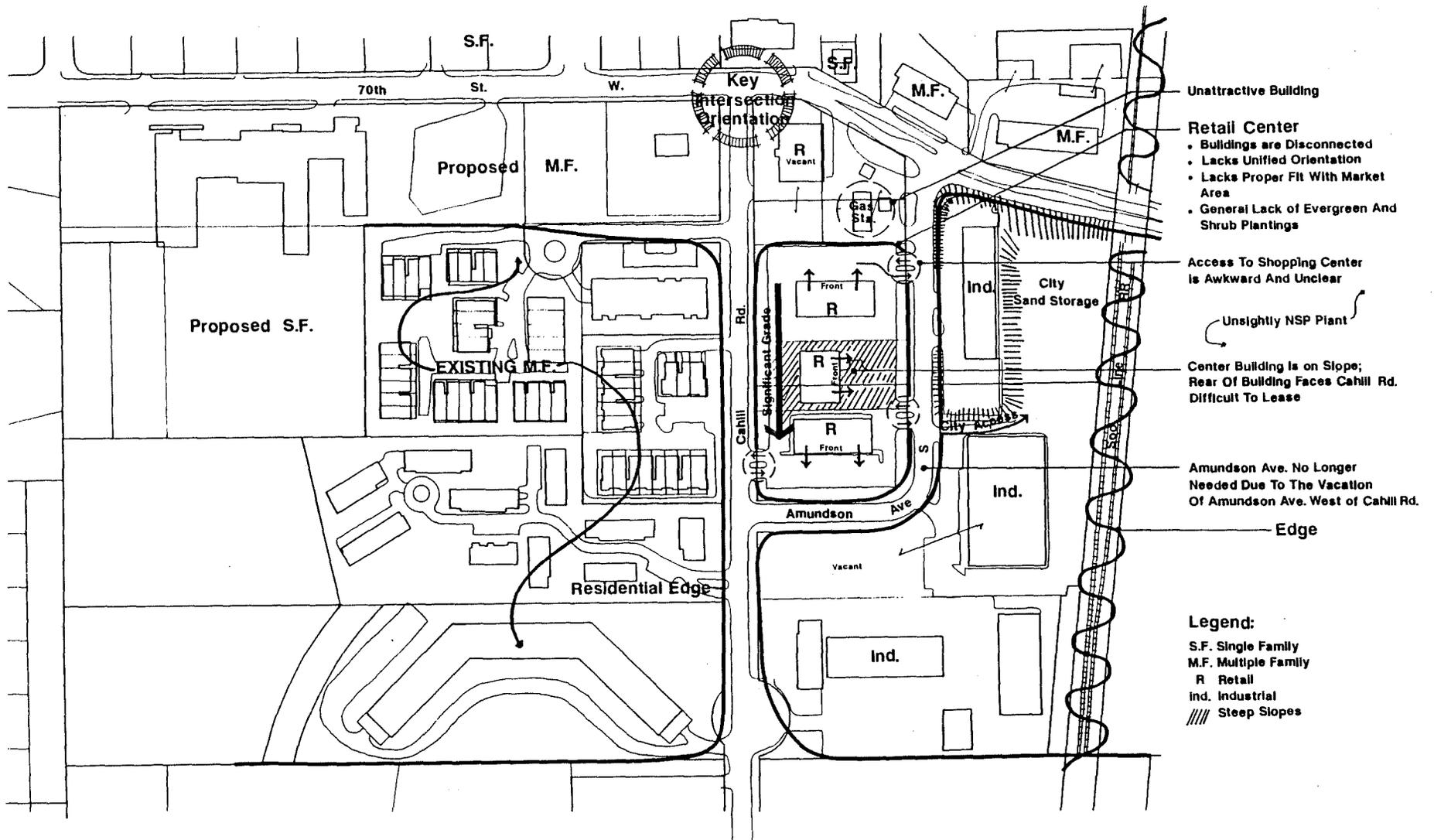
PROBLEM ASSESSMENT

Deficiencies within the Project Area are classified in two categories:

1. Land Use
2. Physical Development

Figure 3 provides a graphic analysis of the deficiencies.

LAND USE DEFICIENCIES



CITY OF EDINA

PROJECT AREA PLANS

70TH AND CAHILL AVE.

Holsington Group Inc.

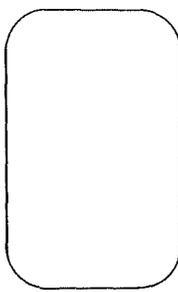


Figure 3
ANALYSIS

In general, the broad land use categories, (i.e. residential, commercial, industrial) are appropriate as designated in the 1980 Land Use Plan and amended in 1990. As currently utilized, however, the following land use problems exist:

1. Land Use Relationships. The transition between single family residential uses and higher intensity uses could be improved.

2. Underutilized Parcels. Parcels in the Plan Area are of adequate size to accommodate reasonable development. As currently developed, however, land to building ratios are high and buildings are located in a manner which prevents infill development. The following specific problems exist:
 - a) The former Edina School building which is now a Montessori School and offices is on a 10 acre site. The building occupies approximately 11% of the site area and is located in the center of the site.

 - b) The Old St. Patrick Church occupies approximately 3% of its two acre site. Heritage Preservation District zoning applies to the entire two acre site.

 - c) The Commercial area between Amundson and Cahill Road is 5.8 acres and measures 750 feet in length north to south. The existing buildings at the site occupy less than 20% of the site.

Additional development is limited, however, because the five existing buildings are detached and sprinkled across the site. Additions to buildings or connecting existing buildings are virtually impossible because of the distance between buildings, grade differences and location of parking areas.

3. **UNDERSERVED MARKET AREA**

The uses and businesses in the Plan Area have potential to serve the residents in the vicinity and employees of the adjoining industrial area. However, no action has been taken to encourage the provision of uses which better serve the shopping needs of the area as suggested in the Comprehensive Plan. Vacancies in the retail area remain and customer traffic light.

PHYSICAL DEVELOPMENT DEFICIENCIES

In addition to land use deficiencies, the physical development in the Plan Area is substandard as described below:

1. Architecture

- * The retail buildings are not aesthetically pleasing which discourage customer traffic;
- * The retail building are disconnected;
- * The retail buildings do not meet current user needs for interior spaces, product display, entries, storage, and tenant mix;
- * The Montessori School is designed for a limited use and

adaptive reuse is difficult because of the type of construction, existing interior spaces and presence of asbestos.

- * Visual access from the street to buildings is limited.

2. Traffic Circulation

- * Amundson Avenue is no longer necessary since the vacation of Amundson Avenue west of Cahill Road. It is used as a short cut to Cahill and alternative entry to 7075 and 7101-7113 Amundson.
- * Access to the retail area is unclear and awkward.
- * Parking within the retail area is disjointed. Dead end parking aisles exist as well as parking on slopes.
- * Accommodations for pedestrian traffic do not exist east of Cahill Road.

3. Identification

- * Area markers do not exist which establish an image for the Plan Area.
- * Individual uses lack entrance designed to direct and inform customers;
- * Sign package at the retail area lacks unity and is in disrepair. Sign panels have been painted over or replaced with plywood;
- * The historical site is not identified and does not have an interpretive description to inform visitors;

4. Site Grading

- * Steep slopes fragment the plan area;
- * regrading is necessary to improve building pads, parking areas and egress landings;

5. Landscaping

- * Perimeter landscaping is minimal and does not add to the streetscape.
- * Screening and buffering of parking, and drive aisles do not exist as the Zoning Ordinance requires;
- * Ornamental landscaping designed to improve the appearance and image of buildings is non-existent.

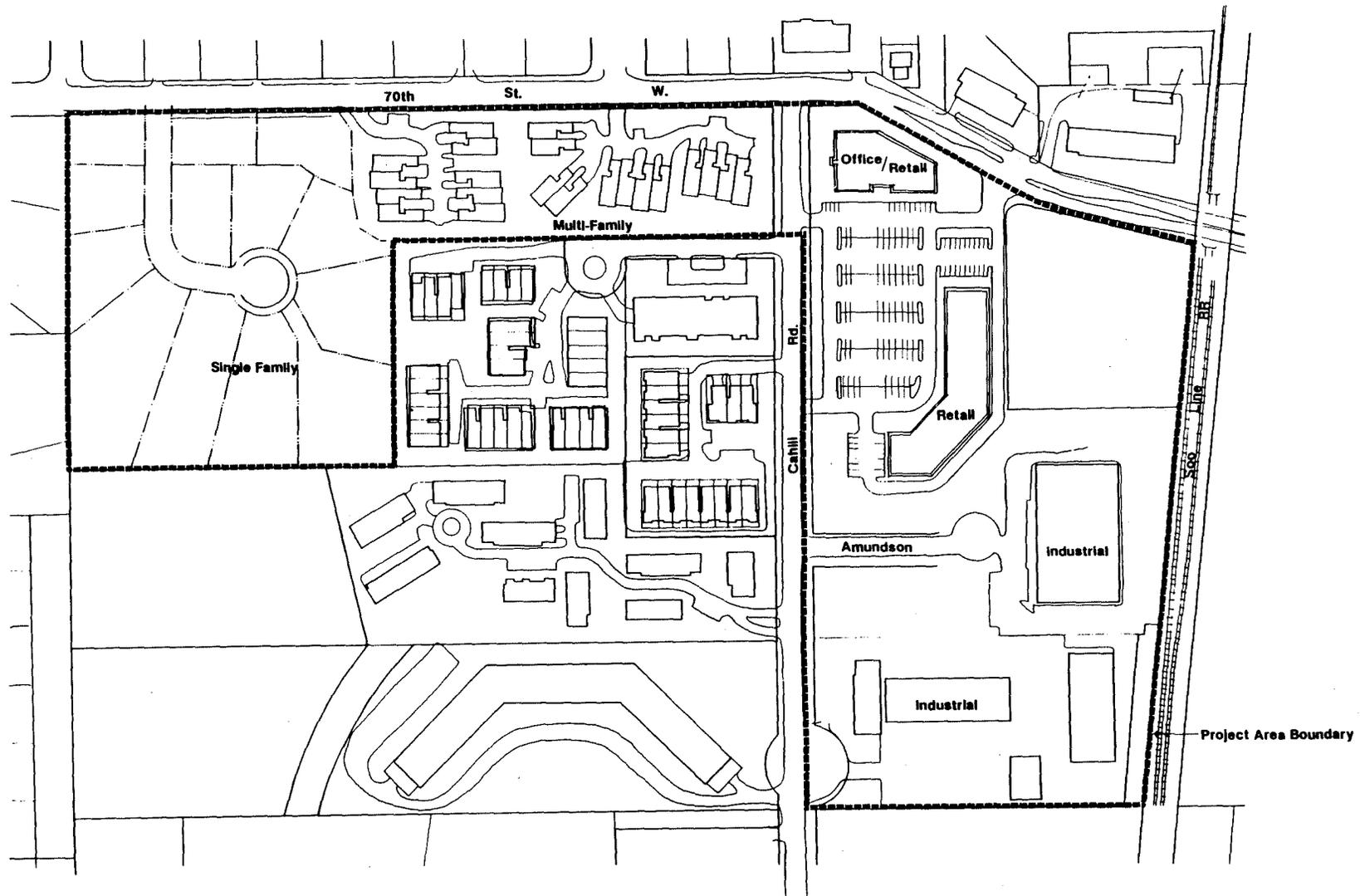
DEVELOPMENT PLAN

(Figures 4 & 5 - Development Plans; Figures 6 & 7 - Public Improvement Plans)

The Previous Plan Area Inventory and Problem Assessment support the conclusion that development activities are necessary in the Plan Area. The identified problems have not and cannot be corrected by private enterprise or regulation alone. In order to correct problems identified herein and to achieve development in the Plan Area in a timely manner, and in conformance with the Land Use Plan, a tax increment plan should be established and certain tax increment projects undertaken.

Based upon the need demonstrated in the inventory and problem assessment, the following goals and objectives are established for the 70th and Cahill Development Plan Area:

1. Develop a retail environment that meets contemporary standards for design and satisfies the retail needs of the neighborhood.
2. Create opportunities for new businesses to locate in the plan area that respond to current market demands.
3. Eliminate blighting influences and incompatible and functionally obsolete buildings that impede development potential.



CITY OF EDINA

PROJECT AREA PLANS

70TH AND CAHILL AVE.

Holsington Group Inc.

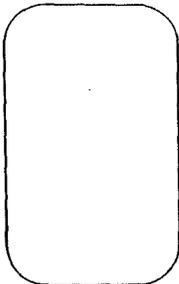
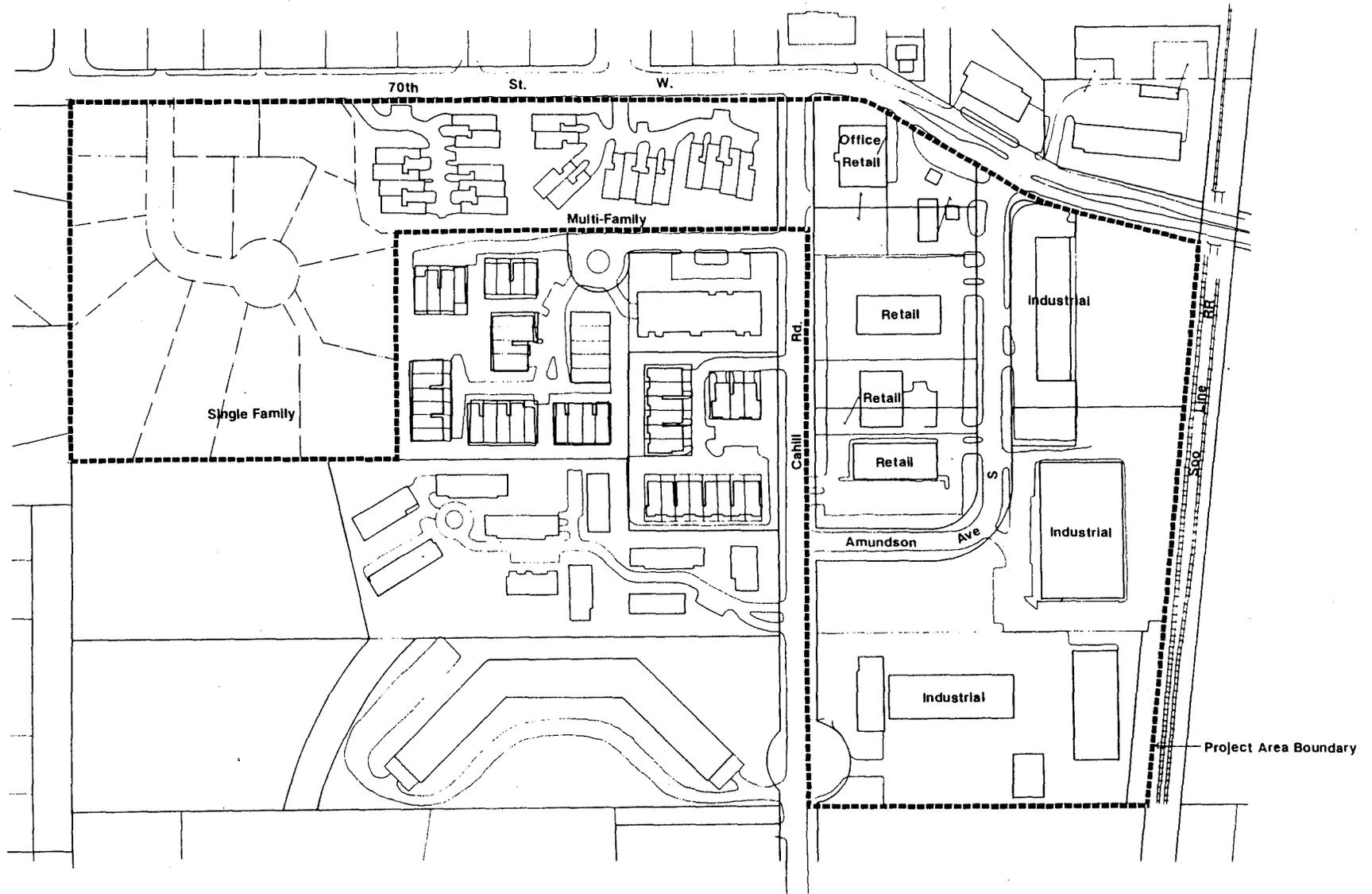


Figure 4

**DEVELOPMENT PLAN
'ALTERNATE A'**



CITY OF EDINA

PROJECT AREA PLANS

70TH AND CAHILL AVE.

Hoisington Group Inc.

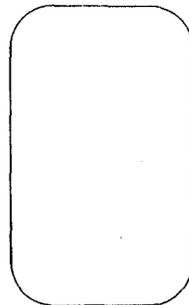
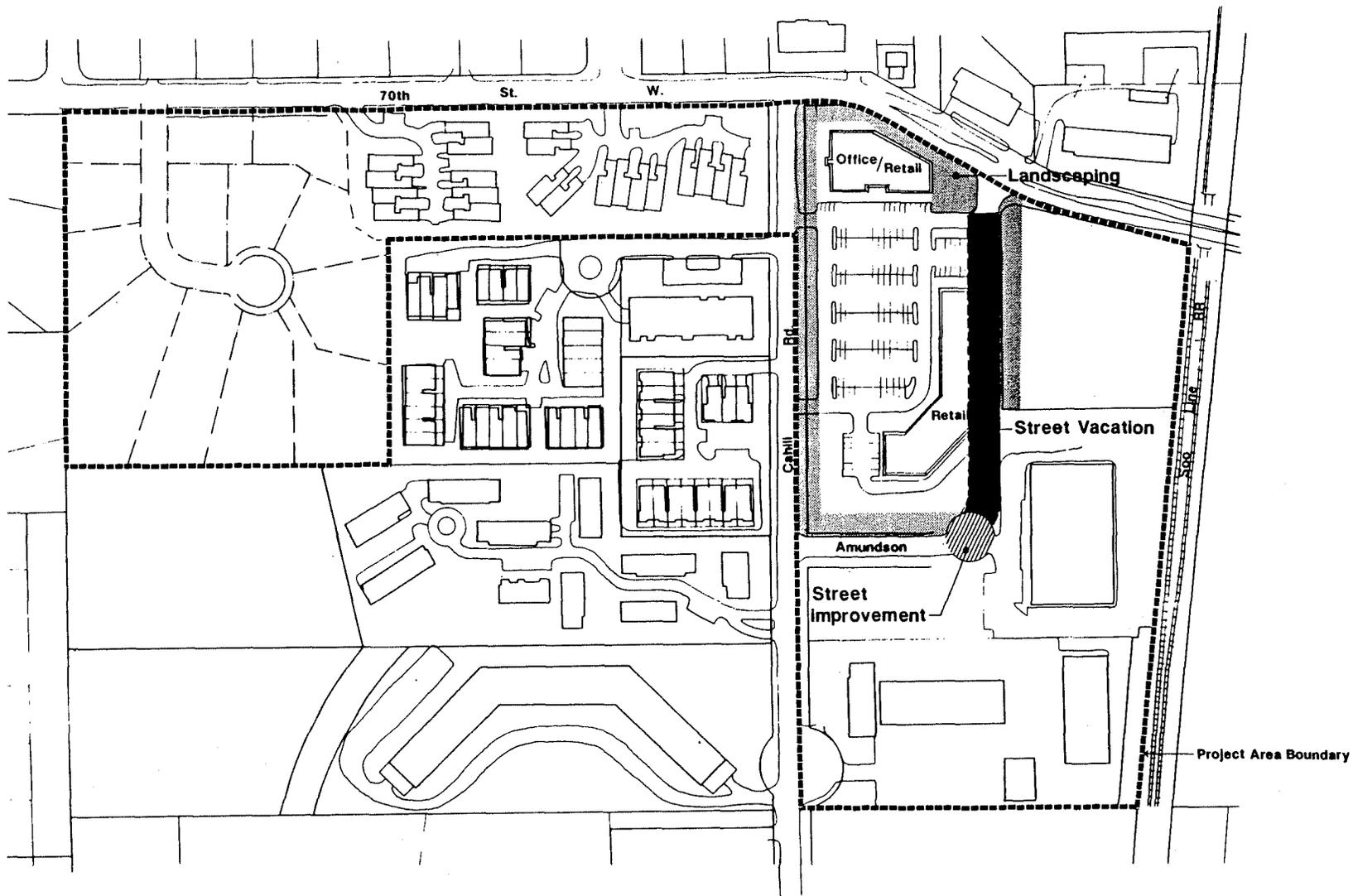


Figure 5
DEVELOPMENT PLAN
'ALTERNATE B'



CITY OF EDINA

PROJECT AREA PLANS

70TH AND CAHILL AVE.

Holsington Group Inc.

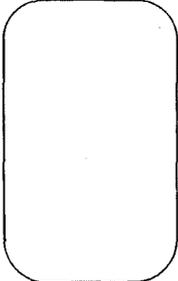
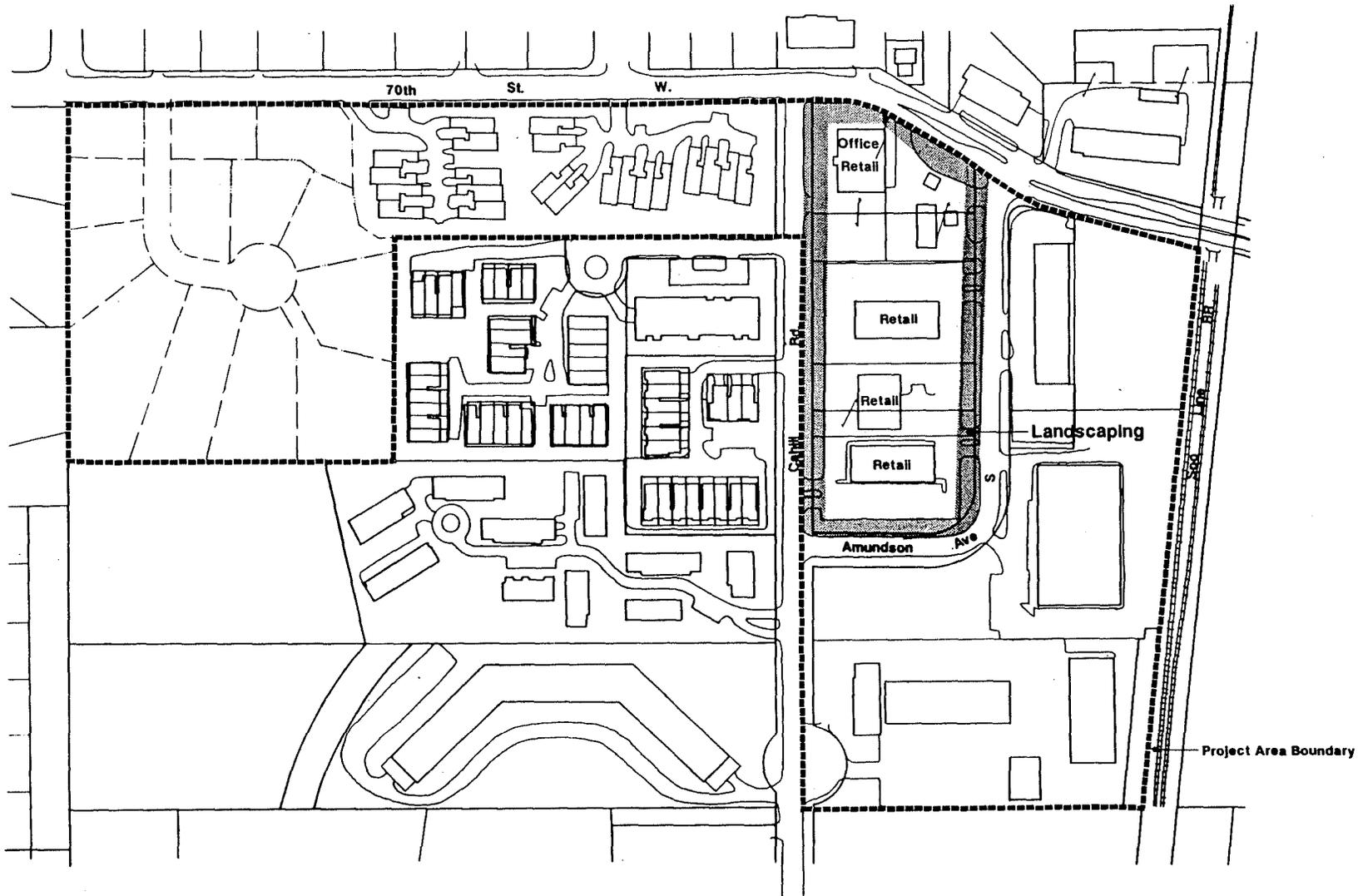


Figure 6

**PUBLIC IMPROVEMENTS
'ALTERNATE A'**



CITY OF EDINA
PROJECT AREA PLANS

 70TH AND CAHILL AVE.

Holsington Group Inc.

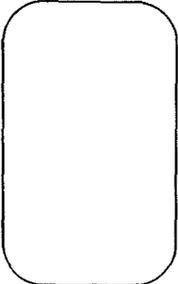


Figure 7
**PUBLIC IMPROVEMENTS
 'ALTERNATE B'**

4. Assemble parcels of land capable of meeting contemporary retail development standards and needs.
5. Provide maximum opportunity for redevelopment by private enterprise.
6. Improve compatibility with the adjacent residential neighborhood.
7. Improve land use transition in the plan area and promote development consistent with the Comprehensive Plan.
8. Improve the quality, image and appearance of the plan area.
9. Improve identification of the plan area and its various components.
10. Provide opportunities which designate the historical significance of the plan area.

Land Use

Land Use related components of the Development Plan emphasize elimination of uses inconsistent with the Land Use Plan designations, and encourage appropriate redevelopment particularly west of Cahill Road. In addition, redevelopment of functionally obsolete buildings is anticipated, particularly in the retail portion of the Plan Area. Reestablishment of an appropriate portion of the Plan Area as a historical feature is also anticipated.

Development and redevelopment should be principally accomplished privately in a manner consistent with the needs of the surrounding neighborhood and city as a whole. Public acquisition for development is to be kept to a minimum.

In some cases, public acquisition, clearance and parcel assembly may be the only efficient and expedient approach to desired development. This may be the case in the retail portion of the Plan Area.

Physical Development

Physical development components of the Development Plan emphasize the upgrading of site and building features to meet contemporary user standards. All development, redevelopment and roadway alterations should address the following standards:

- * Improved directional signage and business identification;
- * Improved tenant spaces.
- * Improved site grading.
- * Improved access and egress features.
- * Screening and buffering of incompatible uses.
- * Improved perimeter and boulevard landscaping.
- * Existing above ground utilities should be placed underground whenever possible in connection with development, redevelopment and street alterations.

Relocation

It is the intent of the H.R.A. that current owners of properties designated for redevelopment be party to efforts to redevelop their properties. If some or all of the owners of the subject property are unwilling or unable to redevelop their property and the H.R.A. must acquire and dispose of the property, the H.R.A. will comply with all applicable requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and all applicable Minnesota State Statutes. The H.R.A. will provide staff for on-site relocation counseling for tenants and information on their rights relative to relocation services and payments.

DEVELOPMENT PROJECTS

The Development Plan illustrates a number of projects in the Plan Area. The projects encompass both public and private property. Elements of individual project are outlined below.

Public Improvements

It is the intent of this project to eliminate unnecessary streets, improve sidewalks and other public and private utility systems and to designate the historical significance of the Plan Area. The Public improvements project may include the following activities:

- * Vacation of all or part of Amundson Avenue
- * Utility relocation associated with above vacation.

- * Landscaping/streetscape improvements
- * Pedestrian/sidewalk improvements
- * Placing overhead utilities underground
- * Relocation of school building and site preparation
- * Interpretive/historical kiosk
- * Grading and screening of City property

Residential Project

The intent of this project is to encourage development consistent with the land use designations of the Land Use Plan as amended in 1990. The project area is west of Cahill Road and south of 70th Street. Development may include single family residential are to the far west of possibly 13 homes; and, as many as 21 attached dwellings on the east portion of the project area.

Retail Project

More than any other component of the Development Plan, the Retail Project is sensitive to immediate service area needs. It is the intent of the Retail Project to upgrade and/or create facilities which meet current user demands. In addition, a high priority of the project is to encourage the establishment of businesses which better serve the market area.

The direction of the project is dependent on market conditions in the area. Prior to public involvement in the retail project a detailed, current, retail

market analysis and feasibility study which may be necessary to determining, among other things, the following:

- * The overall market size
- * The percentage of overall market the site attracts
- * The potential lease rate per s.f.
- * The types of retail activities which can be expected to locate in the area
- * The potential sales volume of each prospective tenant
- * What amenities should be provided.

It is anticipated that the retail project may take one of two possible directions.

Alternative A

Alternative A involves the complete development of the commercial area. The Plan calls for the elimination of the five buildings in the existing Commercial area plus the 7075 Amundson building and the construction of two new buildings totaling 66000 square feet. A greater number of tenants is also anticipated including potentially upscale convenience retailers. Public activities may include those in Alternative B as well as the following:

- * Soil correction and preparation
- * Street vacation
- * Land acquisition
- * Relocation of individuals and businesses

- * Land writedowns
- * Low interest loans
- * Sale of land to private developer

Alternative B

Alternative B involves the refurbishing of the existing commercial area. Retail floor areas and tenant users will not change significantly. Public activities may include the following:

- * Interest assistance for rehabilitation
- * Pedestrian/sidewalk improvements
- * Landscaping/streetscape improvements
- * Entrance/egress improvements
- * Clearance and demolition
- * Identification and directional signage

Exhibit C

List of Parcels in Tax Increment Financing District 90-1
(44th and France)

07-028-24-44-0055	07-028-24-44-0073
07-028-24-44-0056	07-028-24-44-0075
07-028-24-44-0058	07-028-24-44-0077
07-028-24-44-0059	07-028-24-44-0081
07-028-24-44-0060	07-028-24-44-0082
07-028-24-44-0061	07-028-24-44-0083
07-028-24-44-0062	07-028-24-44-0086
07-028-24-44-0063	07-028-24-44-0128
07-028-24-44-0064	07-028-24-44-0130
07-028-24-44-0065	07-028-24-44-0134
07-028-24-44-0066	07-028-24-44-0135
07-028-24-44-0067	07-028-24-44-0137
07-028-24-44-0068	07-028-24-44-0138
07-028-24-44-0069	07-028-24-44-0140
07-028-24-44-0070	07-028-24-44-0141
07-028-24-44-0071	07-028-24-44-0142
	07-028-24-44-0147

EXHIBIT D

M E M O R A N D U M

TO: File, 44th and France Redevelopment District
FROM: Building Department and Planning Department
SUBJECT: Building condition in Redevelopment Plan Area.
DATE: April 2, 1990

The purpose of this memorandum is to document the condition of certain structures within the plan area. Specifically, the following structures are found to have defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior portions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.

4500 France Avenue South. Edina Cleaners

The property includes two buildings. In 1977 the Edina Cleaners acquired the Westgate Theatre, made a pass through connection and expanded its commercial cleaning operation into the vacated theatre. Results of a February 24, 1990, code compliance inspection are attached.

4532 France Avenue South.

Single family home used as commercial office. Pre 1920 construction.

The following deficiencies are noted:

- * Foundation is cracked and settled.
- * Front entry badly deteriorated, in danger of collapse.
- * Rear stoop-landing has broken away from foundation and settled.
- * Holes in plaster ceilings in kitchen and second floor bedroom.
- * Evidence of plumbing leaks.
- * No insulation
- * Most windows are lacking screens and storm windows.
- * Prime windows in poor condition

4540 France Avenue South.

Single family dwelling. Pre 1916 construction

The following deficiencies are noted:

- * Cracks in foundation.

- * Prime windows in poor condition.
- * Lacking some storm windows.
- * Old hot water boiler with asbestos wrapped pipes.
- * Electrical system below code requirements.

3916 West 44th Street.

Single family home. Constructed approximately 1905.

The following deficiencies are noted:

- * Coal conversion hot water furnace. Pipe wrapped in asbestos.
- * Electrical system does not meet street code. Wiring includes non-conforming knob and tube wiring.
- * Galvanized water pipe system. Should be changed to copper.
- * Front porch settled 8 inches from house and must be reconstructed.
- * East side of garage has settled.
- * 20 plus year old roof that is deteriorated and shows signs of leakage on interior.
- * All interior surfaces are in poor condition.

3918 West 44th Street.

Single family home. Constructed approximately 1930.

- * Electrical system does not meet code requirements.
- * Older roof in deteriorated condition.
- * Cracks in foundation, signs of some settling.



4801 WEST 50TH STREET, EDINA, MINNESOTA 55424
612-927-8861

3-30-90

On February 14, 1990, a Code Compliance inspection was made at: 4500 France Ave.
Edina Dry Cleaners.

The following non-conforming conditions were noted:

1. Non-conforming exit system was existing in most of the plant area. It was also noted that exit doors were either locked or barricaded. This is a serious condition.
2. Noted exposed electric wires in restroom directly off store front.
3. A full two hour separation is required around the boiler and this was not in place. Present condition does not allow proper fire protection.
4. Solvent use and storage shall be verified by the Edina Fire Marshall for proper use and protection.
5. Exterior tank storage to be reviewed by Edina Fire Marshall.
6. The wood roof is leaking in numerous locations. It appears that there may be some decay of the roof boards and joist which could possibly result in roof failure.
7. The wood roof joist are supported by a steel truss which appears to have signs of corrosion.
8. The block walls and floors have some cracks which may be pertinent to the building structure.
9. Boiler is very old, but appears in good shape. Relief valve needs to be piped down to within 18" of the floor. Boiler room has no make up air piped into it. A boiler room is required to be in a 2-hour room.
10. No make up air is piped in for the air being exhausted in building (dryers, ect.)
11. Roof drains appear to be draining into sanitary sewer.
12. Equipment using City water does not appear to have proper back flow preventers.

Exhibit E

Projected Tax Increment for Tax
Increment Financing District 90-1
(44th and France)

<u>Assessed</u>	<u>Pay</u>	<u>Completed Tax Capacity</u>	<u>Original Adjusted Tax Capacity</u>	<u>Captured Tax Capacity</u>	<u>Tax Capacity Extension Rate</u>	<u>Projected Tax Increment</u>
1989	1990	116,578	116,578	0	90.098%	0
1990	1991	118,910	116,578	2,332	90.098%	2,101
1991	1992	121,288	116,578	4,710	90.098%	4,243
1992	1993	177,932	116,578	61,354	90.098%	55,278
1993	1994	181,490	116,578	64,912	90.098%	58,485
1994	1995	185,120	116,578	68,542	90.098%	61,755
1995	1996	188,822	116,578	72,244	90.098%	65,091
1996	1997	206,196	116,578	89,618	90.098%	80,744
1997	1998	210,320	116,578	93,742	90.098%	84,459
1998	1999	214,526	116,578	97,948	90.098%	88,249
1999	2000	218,817	116,578	102,239	90.098%	92,115
2000	2001	223,193	116,578	106,615	90.098%	96,058
2001	2002	227,657	116,578	111,079	90.098%	100,080
2002	2003	232,210	116,578	115,632	90.098%	104,182
2003	2004	236,854	116,578	120,276	90.098%	108,366
2004	2005	241,591	116,578	125,013	90.098%	112,634
2005	2006	246,423	116,578	129,845	90.098%	116,988
2006	2007	251,352	116,578	134,774	90.098%	121,428
2007	2008	256,379	116,578	139,801	90.098%	125,957
2008	2009	261,506	116,578	144,928	90.098%	130,577
2009	2010	266,736	116,578	150,158	90.098%	135,290
2010	2011	272,071	116,578	155,493	90.098%	140,096
2011	2012	277,512	116,578	160,934	90.098%	144,999
2012	2013	283,063	116,578	166,485	90.098%	149,999
2013	2014	288,724	116,578	172,146	90.098%	155,100
2014	2015	294,498	116,578	177,920	90.098%	160,303

Exhibit F

List of Parcels in Tax Increment Financing District 90-2
(Valley View and Wooddale)

19-028-24-34-0091

19-028-24-34-0092

19-028-24-34-0093

19-028-24-34-0094

19-028-24-43-0058

19-028-24-43-0059

19-028-24-43-0060

19-028-24-43-0061

19-028-24-43-0062

19-028-24-43-0063

19-028-24-43-0064

19-028-24-43-0076

19-028-24-43-0077

19-028-24-43-0078

Exhibit G

Projected Tax Increment for Tax
Increment Financing District 90-2
(Valley View and Wooddale)

<u>Assessed</u>	<u>Pay</u>	<u>Completed Tax Capacity</u>	<u>Original Adjusted Tax Capacity</u>	<u>Captured Tax Capacity</u>	<u>Tax Capacity Extension Rate</u>	<u>Projected Tax Increment</u>
1989	1990	74,536	74,536	0	90.098%	0
1990	1991	76,027	77,696	0	90.098%	0
1991	1992	77,547	80,991	0	90.098%	0
1992	1993	107,403	84,425	22,979	90.098%	20,703
1993	1994	109,551	88,004	21,547	90.098%	19,413
1994	1995	111,742	91,736	20,007	90.098%	18,026
1995	1996	113,977	95,625	18,352	90.098%	16,535
1996	1997	116,257	99,680	16,577	90.098%	14,935
1997	1998	118,582	103,906	14,676	90.098%	13,222
1998	1999	120,953	108,312	12,642	90.098%	11,390
1999	2000	123,373	112,904	10,468	90.098%	9,432

Exhibit H

List of Parcels in Tax Increment Financing District 90-3
(70th and Cahill)

08-116-21-11-0003

08-116-21-11-0005

08-116-21-11-0008

08-116-21-11-0009

08-116-21-11-0010

08-116-21-11-0019

08-116-21-11-0020

08-116-21-11-0021

08-116-21-11-0022

08-116-21-11-0023

08-116-21-11-0024

08-116-21-12-0001

08-116-21-12-0002

08-116-21-12-0003

08-116-21-12-0004

08-116-21-12-0005

08-116-21-12-0006

Exhibit I

Projected Tax Increment for Tax
Increment Financing District 90-3
(70th and Cahill)

<u>Assessed</u>	<u>Pay</u>	<u>Completed Tax Capacity</u>	<u>Original Adjusted Tax Capacity</u>	<u>Captured Tax Capacity</u>	<u>Tax Capacity Extension Rate</u>	<u>Projected Tax Increment</u>
1989	1990	270,426	270,426	0	90.290%	0
1990	1991	275,835	284,218	0	90.290%	0
1991	1992	374,087	298,713	75,374	90.290%	68,055
1992	1993	474,304	313,947	160,357	90.290%	144,787
1993	1994	576,526	329,958	246,568	90.290%	222,626
1994	1995	680,793	346,786	334,006	90.290%	301,574
1995	1996	694,408	364,472	329,936	90.290%	297,899
1996	1997	708,297	383,061	325,236	90.290%	293,656
1997	1998	722,463	402,597	319,866	90.290%	288,807
1998	1999	736,912	423,129	313,783	90.290%	283,314
1999	2000	751,650	444,709	306,941	90.290%	277,137