



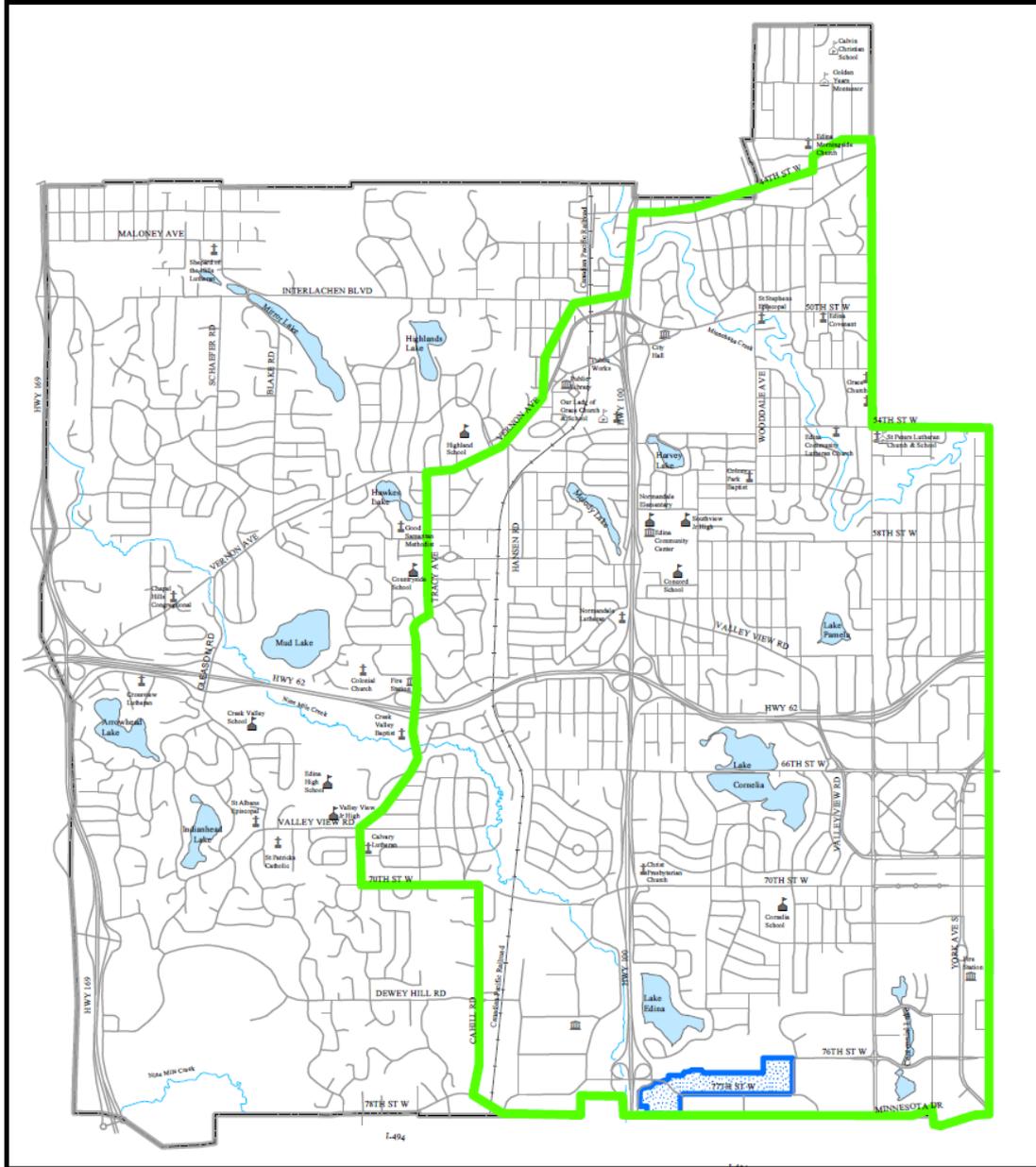
Proposed Pentagon Park TIF District Overview

Edina City Council
February 18, 2014

Overview

- 1) Why a new TIF District
- 2) Description of Potential Project
- 3) Required Findings





Southeast Edina Redevelopment Project Area and Proposed Pentagon Park TIF District



Project Area

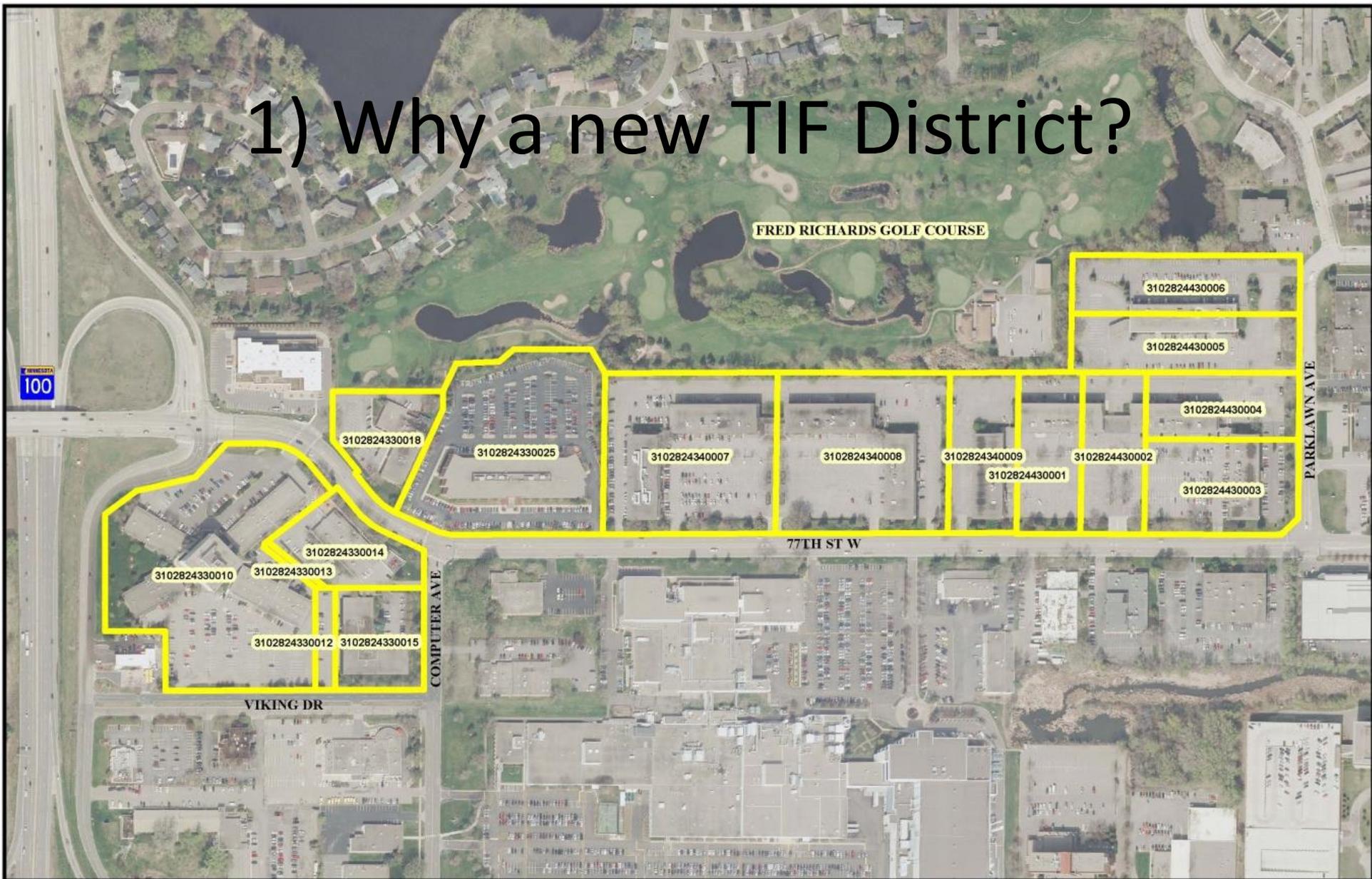
Proposed Pentagon Park TIF District



1) Why a new TIF District?

- Existing buildings are outdated and “substandard”
 - Class C
- Taxable value has been declining
- Major reinvestment needed to transform and ensure future economic contribution
- High costs for transformation
 - New storm water standards
 - Public roadway improvements
 - Soil stabilization

1) Why a new TIF District?



Proposed Pentagon Park TIF District

 Proposed Pentagon Park TIF District Parcels



Engineering Dept
December, 2013

1) Why a new TIF District?

Elements of TIF Plan

- Redevelopment TIF district
 - At least 50% of buildings substandard
 - Reasonable distribution of substandard buildings
- All parcels in a single district
- 26 year term
- Newer buildings included due to potential public improvements/storm water needs
 - Barr Engineering building
 - Walsh Title building

1) Why a new TIF District?



Diagram 3 – Substandard Buildings

Light Red shaded area depicts parcels with substandard buildings –
Darker Red shade depicts substandard buildings

2) Description of Potential Project

- Initial Phase Estimates
 - 495,000 s.f. office with small amount of retail
 - 425 room hotel
 - Upgrades to 77th Street
 - Potential storm water improvements
- Future Phases
 - 800,000 – 900,000 s.f. of additional office and supportive retail
 - New public roadways and parking
- \$500,000,000 total project cost

2) Description of Potential Project

POTENTIAL TIF-ELIGIBLE EXPENSES

	<u>South</u>	<u>North</u>	<u>Total</u>
Soil Correction	\$9,581,000	\$16,020,000	\$25,601,000
Storm Water	\$777,000	\$1,070,000	\$1,847,000
Demolition	\$1,750,000	\$2,890,000	\$4,640,000
Green Space / Sitework	\$2,625,000	\$2,730,000	\$5,355,000
Street Infrastructure			
- 77th Street	\$2,886,000		
- 77th Street Bridge	\$2,563,000		
- Transit Shelters	\$180,000		
- 76th Street Parkway	\$7,825,000		
- Supporting Street	\$1,676,000		
- Green Streets	\$4,319,000		
- Monument Signs	\$80,000		\$19,529,000
Parking Ramps			
- Ramp A - 1,140 Stalls	\$11,514,000		
- Ramp B - 1,140 Stalls	\$11,514,000		
- Ramp C - 650 Stalls		\$6,565,000	
- Ramp D - 650 Stalls		\$6,565,000	
- Ramp E - 650 Stalls		\$6,565,000	
- Ramp F - 975 Stalls		\$9,847,500	\$52,570,500
TOTAL INFRASTRUCTURE INVESTMENT			\$109,542,500

3) Required Findings

- Meets the requirement as a redevelopment district
 - LHB Study, January 2014
- Review by other taxing authorities
- Financing plan conforms to the City's general plan for redevelopment as a whole
 - Site use: Planning Commission review and future oversight
- Financing plan affords maximum opportunity for redevelopment by private enterprise
 - Expected results: increase in employment and property tax base, renovation of substandard properties, added public improvements and quality development

3) Required Findings

- The “But/For” Test
 - Redevelopment not reasonably expected to occur solely through private investment
 - Net of tax increment assistance, the expected site market value to occur is less than that of the proposed redevelopment
 - No other proposal on the horizon
 - \$356.6 million increase in assessed value net of TIF

Questions?