

**MINUTES
OF THE JOINT MEETING OF THE
EDINA HOUSING AND REDEVELOPMENT AUTHORITY
AND THE EDINA CITY COUNCIL
HELD AT CITY HALL
DECEMBER 7, 1999 - 7:00 P.M.**

ROLLCALL Answering rollcall were Commissioners Faust, Hovland, Kelly, and Chair Maetzold. Commissioner Johnson entered the meeting at 7:07 P.M.

CONSENT AGENDA ITEMS APPROVED Motion made by Commissioner Kelly and seconded by Commissioner Faust approving the Housing and Redevelopment Authority Agenda as presented.

Rollcall:

Ayes: Faust, Hovland Kelly, Maetzold

Motion carried.

***MINUTES OF THE REGULAR MEETING OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY FOR November 16, 1999, APPROVED** Motion made by Commissioner Kelly and seconded by Commissioner Faust approving the Minutes of the Edina Housing and Redevelopment Authority for November 16, 1999.

Motion carried on rollcall vote - four ayes.

JOINT HRA/CITY COUNCIL PUBLIC HEARING HELD RESOLUTIONS ADOPTED AMENDING GRANDVIEW AREA REDEVELOPMENT PLAN Affidavits of Notice were presented, approved and ordered placed on file.

Director/Manager Hughes stated the proposed amendments to the Grandview Area Redevelopment Plan and the Grandview Tax Increment Financing Plan are necessary to facilitate the redevelopment of properties located south of Eden Avenue. The amendments would also provide the necessary authority for the HRA to pursue the acquisition of privately held properties which may be included in the redevelopment proposed by Opus Construction and Ron Clark Construction. The amendment to the Redevelopment Project consists of (i) the acquisition and redevelopment by the HRA or another party of all or a portion of the Redevelopment Property not previously acquired by the HRA, (ii) the construction by the HRA, the City or another party on the Redevelopment Property of a public library and senior center and (iii) other public redevelopment costs incurred in connection with the redevelopment of the Redevelopment Property.

The estimated proposed additional expenses of tax increment related to the acquisition and redevelopment are as follows:

Acquisition of Property	\$3,100,000
Construction of library	2,860,000
Construction of senior center	2,145,000

Parking & Site Development	3,940,000
Demolition	500,000
Financing Costs	175,000
Off-site Improvements	500,000
Administration	<u>500,000</u>
Sub-total	\$13,720,000
Contingency 10%	<u>1,372,000</u>
TOTAL	<u>\$15,092,000</u>

Mr. Hughes added that as prescribed by State Law; a copy of the proposed Amendments to the Redevelopment Plan and Tax Increment Finance Plan were provided to Hennepin County and Independent School District 273. He noted receipt of a response from Hennepin County via a memorandum written by Sandra L. Vargas, County Administrator to the Board of Commissioners. The Hennepin County response supports the proposed amendment. Mr. Hughes stated that no response had been received from School District 273.

Commissioner/Member Kelly asked if the Wanner property had been included in the Grandview Area Redevelopment Area. Mr. Hughes using a map to show the property on the eastern side of the proposed redevelopment area, pointed out the Wanner property and said it was included in the proposed redevelopment area.

Commissioner/Member Kelly stated he remained concerned regarding construction of a new library. He wants to make sure the City does not give greater value than it receives in return. This does not necessarily need to be actual dollars, but it should be something of value. Mayor Maetzold noted a possibility exists that meeting or auditorium space may be constructed that the City could use for public meetings. Member Johnson added he believed staff understands the Council's concern and should be allowed to negotiate the best possible deal.

Commissioner/Member Faust asked if the proposed amendment is what is necessary to meet the December 31, 1999, deadline with the State of Minnesota. Mr. Hughes explained the amendment must be approved in order for the redevelopment to take place. However, the City must have a Letter of Intent with their developer by December 31, 1999, in order to use the tax increment fund in this district as proposed.

Commissioner/Member Faust said she had been contacted by Vernon Terrace with a request for a presentation of the proposed redevelopment. She asked about the timing of such a presentation and if the developer should be requested to make the presentation. Mr. Hughes replied he believed that the developer should make the presentation and that Tom Lund could be contacted immediately and requested to schedule a time with the residents of Vernon Terrace.

Commissioner/Member Faust expressed her hope that the architecture of the redevelopment be different than Vernon Terrace. She asked if the redevelopment would follow the normal planning process per Edina's Code. Mr. Hughes assured her

the redevelopment would follow the same planning process as a totally private development. He added he believed it was too early in the process to know in any detail the proposed architecture of the redevelopment.

Commissioner/Member Hovland commented that the Council's desire for the redevelopment was to see architecture significant for the space involved. He suggested that as the design is developed that design standards could be legally set forth if deemed necessary. Continuing, Commissioner/Member Hovland stated that perhaps actually taking legal action would be premature. Commissioner/Member Faust advised that in her experience, standards need be in place before a project begins. Mr. Hughes reminded the Council that the City owns half of the property involved in the proposed redevelopment; and therefore the City is in a very strong position to suggest design priorities. Mr. Hughes recommended that the Council not develop any design standards at this time.

Commissioner/Member Johnson voiced concern over the financing for the construction and operation of the Senior Center. Commissioner/Member Kelly agreed and suggested a very specific use agreement be delineated. Mayor Maetzold reminded that the Senior Center would be a City building. Mr. Hughes reiterated the Senior Center would be a City facility managed by the City. Commissioner/Member Johnson asked if the Senior Center would be self-supporting. Mr. Hughes responded that the City currently operates the existing Senior Citizen Center located in the Community Center and it is not self-supporting. He said the operation of the new Senior Center may be reviewed and a decision made regarding whether or not the seniors should take greater responsibility in its operation.

Commissioner/Member Hovland commented that he saw the entire project as somewhat fluid, meaning that many changes may transpire over time regarding the size and design of the components. He added that he recalled the construction of a new library was recommended by staff as the best alternative to solve some facility expansion issues for the City.

Chair/Mayor Maetzold called for public comment. No one spoke.

Chair/Mayor Maetzold made a motion seconded by Member Johnson to close the public hearing.

Ayes: Faust, Hovland, Johnson, Kelly, Maetzold.

Motion carried.

Commissioner/Member Hovland introduced the following resolution and made a motion for its approval:

**RESOLUTION
APPROVING AMENDMENTS TO GRANDVIEW
REDEVELOPMENT PROJECT NO. 1, GRANDVIEW AREA
REDEVELOPMENT PLAN AND GRANDVIEW
TAX INCREMENT FINANCING PLAN AND**

MAKING FINDINGS WITH RESPECT THERETO

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

1. The Commissioners of the Housing and Redevelopment Authority in and for the City of Edina, Minnesota (the "HRA") and the City of Edina, Minnesota (the "City"), have previously approved the Grandview Area Redevelopment Plan (the "Redevelopment Plan") and Grandview Redevelopment Project No. 1 (the "Redevelopment Project") to be undertaken pursuant thereto, and in order to finance the public redevelopment costs to be incurred by the City and the HRA in connection with the Redevelopment Plan and Redevelopment Project, the HRA and the City have approved Grandview Tax Increment Financing Plan (the "Financing Plan"), which establishes a tax increment financing district which is designated by the HRA as the Grandview Tax Increment Financing District (Hennepin County No. 1202) (the "District"). On April 7, 1997, the HRA and City approved an amendment to the Redevelopment Plan, Redevelopment Project and Financing Plan (the "1997 Amendment"). The HRA has approved an amendment to the Redevelopment Project, the Redevelopment Plan and the Tax Increment Financing Plan, as amended by the 1997 Amendment, which is entitled "Amendments to Grandview Redevelopment Project No. 1, Grandview Area Redevelopment Plan and Grandview Tax Increment Financing Plan" (the "1999 Amendment"). The 1999 Amendment authorizes the acquisition and redevelopment by the HRA of the property in the area subject to the Redevelopment Plan and the additional expenditures of tax increment revenues derived from the District to pay public redevelopment costs of the acquisition and redevelopment of such property by the HRA or another party, including costs of a public library and senior center, and to pay administrative expenses of the HRA and City.

2. This Council on December 7, 1999, held a public hearing on the 1999 Amendment after notice of the public hearing was published in the official newspaper of the City not less than ten (10) days prior to the date of the hearing. At such public hearing all persons desiring to be heard with respect to the 1999 Amendment were given an opportunity to express their views with respect thereto.

3. This Council has previously found that the District is a redevelopment district within the scope of Minnesota Statutes, Section 469.174, subdivision 10 and the Amendment will not change such prior findings. The 1999 Amendment further serves the original goals and objectives of the City and HRA in approving the Redevelopment Plan, the Redevelopment Project and the Financing Plan and the 1997 Amendment, by redeveloping property in the City in order to prevent or reduce blight, blighting factors and the causes of blight, and by providing needed public facilities.

4. Pursuant to Minnesota Statutes, Section 469.175, subdivision 4, it is hereby found that:

(A) The District, is a redevelopment district, as defined in Minnesota Statutes, Section 469.174,

subdivision 10, for the reasons set forth in previous findings by this Council, and the 1999 Amendment does not alter these previous findings.

(B) The proposed development to be undertaken in accordance with the Redevelopment Plan, as amended by the 1999 Amendment, in the opinion of this Council would not occur solely through private investment within the reasonably foreseeable future and therefor the use of tax increment financing is deemed necessary.

(C) The Financing Plan, as amended by the 1999 Amendment, conforms to the general plan for the development of the City as a whole.

(D) The Financing Plan, as amended by the 1999 Amendment, will afford maximum opportunity consistent with the sound needs of the City as a whole for the development of the area subject to Redevelopment Plan by private enterprise.

(E) The City confirms its election of the method of tax increment computation set forth in Minnesota Statutes, Section 469.177, subdivision 3, clause (a) with respect to the District.

Passed by the Council this 7th day of December, 1999.

Attest: _____
Debra A. Mangan

Dennis F. Maetzold

Adopted this 7th day of December, 1999. Commissioner/Member Kelly seconded the motion.

Rollcall:
Ayes: Faust, Hovland, Johnson, Kelly, Maetzold
Motion carried.

CLAIMS PAID Motion made by Commissioner Hovland approving the Check Register dated December 2, 1999, and consisting of one page totaling **\$31,576.88**. Commissioner Kelly seconded the motion.

Rollcall:
Ayes: Faust, Hovland, Johnson, Kelly, Maetzold
Motion carried.

There being no further business on the HRA Agenda, Chair Maetzold declared the meeting adjourned at 7:10 P.M.

Executive Director