

**MINUTES
OF THE EDINA HOUSING AND REDEVELOPMENT AUTHORITY
HELD AT CITY HALL
APRIL 17, 2001
7:00 P.M.**

ROLLCALL Answering rollcall were Commissioners Housh, Hovland, Kelly, Masica and Chair Maetzold.

CONSENT AGENDA APPROVED Motion made by Commissioner Hovland and seconded by Commissioner Housh approving the Edina Housing and Redevelopment Authority Agenda as presented.

Rollcall:

Ayes: Housh, Hovland, Kelly, Masica, Maetzold

Motion carried.

***MINUTES OF THE REGULAR MEETING OF APRIL 3, 2001, APPROVED** Motion made by Commissioner Hovland and seconded by Commissioner Housh approving the minutes of the Regular Meeting of the Edina Housing and Redevelopment Authority for April 3, 2001.

Motion carried on rollcall vote - five ayes.

BUS GARAGE PROPOSAL PRESENTED Director Hughes noted that proposals for redevelopment of the bus garage property were due on March 30, 2001. OPUS Northwest LLC submitted the only proposal for the redevelopment. Commissioners of the HRA were forwarded the proposal under separate cover.

Mr. Hughes explained that HRA staff and the Edina School staff conducted preliminary conversations with OPUS concerning the proposal. Based upon these conversations, it is believed that the proposal has merit and recommend that the HRA authorize staff to enter into more comprehensive negotiations with OPUS for the purpose of preparing the outline of a redevelopment agreement. Staff will report at a future meeting concerning the results of the negotiations.

Commissioner Housh asked if any of the Our Lady of Grace (OLG) property is involved. Mr. Hughes responded that the proposal is very conceptual but does include two elements. One, redevelopment of the bus garage property including the car wash, and two, the redevelopment of the Minnesota Wanner property on the east side of the railroad tracks. After discussions with OPUS, the Wanner site would need to be combined with a sliver of the church property in order to create a large enough site to accommodate the proposed redevelopment.

Commissioner Kelly opined that OPUS would acquire that sliver of property from OLG and would not require condemnation action. Mr. Hughes concurred. Mr. Kelly explained there have been discussions between OPUS and OLG regarding the proposal.

Commissioner Masica voiced surprise that only one proposal was received and questioned how it was marketed. Mr. Hughes answered it was marketed the same way that Grandview Square was marketed, i.e. mailing to developers as well as commercial property brokers not usually included. Staff was surprised that only one proposal came forward as well.

Commissioner Kelly said the proposal is a good one and the margins are incredibly lean with little marketable square feet. He voiced surprise that Jerry's did not submit a proposal because of the location. Mr. Hughes indicated a strong effort was afforded to Jerry's to submit a proposal.

Public comment

Taige Thornton, 4719 Townes Road, submitted a letter with six questions to the Council. 1) Are there any apartment or multi-family developments located on property next to any Edina Public Schools?; 2) If non exist, is this by design and planning on the part of the Edina School District or is it a City of Edina zoning issue?; 3) If an apartment project were proposed on land next to OLG would this be the first of its kind?; 4) Would Edina ever consider the condemnation of church property to promote its urban redevelopment efforts?; 5) Has the City of Edina or any other municipality in Minnesota ever condemned church property to complete a redevelopment project?; and 6) It has been mentioned that a developer has reviewed with the City planning staff a penciled drawing of an alternative property proposal concerning the land to the east of the Wanner property that may be considered as part of this redevelopment project. Is that a public document that can be disclosed at this time? If that sketch is not to be disclosed at this time can it be appended to the feasibility study the Council will vote on tonight or will that sketch need to be made public for public review and comment?

Mr. Kelly said if the zoning and size of parcel fits the development, the Council does not have the right to turn down the development but no development plan has come forward. He reminded the Commissioners that the City is not doing a feasibility study and will not spend a dime on the proposal until a development plan comes forward for approval. He added that the proposal is just an idea.

Mr. Hughes responded to question 6 that the OPUS proposal did not include any drawings for the property in question.

Jack Helms, 4906 Lakeview Drive, inquired whether the Wanner Property and the bus garage are linked. Mr. Hughes stated that the RFP issued was just for the bus garage property yet OPUS elected to include the Wanner property. There is no link between the HRA in the City's viewpoint but may be in OPUS viewpoint. Mr. Kelly believes OPUS would need a larger area in order to make it profitable.

Christopher Riley, 5233 West 62nd Street, asked if the proposal included the number of rental units being proposed. Mr. Hughes said the proposal states a range from 80 - 155 units. Mr. Riley inquired whether there was a record of correspondence from interested parties. Mr. Hughes stated there has not been any correspondence to his knowledge

except for a casual meeting with the developer on two occasions at City Hall. Mr. Riley asked if any consideration been given to traffic levels. Mayor Maetzold said if a development plan is presented, traffic levels are part of the process as well as watershed permits, environmental impact, etc. Mr. Kelly added there might be a traffic study available that was done for the Grandview area.

Commissioner Hovland asked if a hypothetical planning process could be described to the public. Mr. Hughes told the process would be similar to the Grandview Square process; staff review of the comprehensive document; Council work session with the developer; Petition for rezoning to Planning Commission; rezoning before the Council; Council review preliminary plans; if preliminary plans approved, to Planning Commission for Final Development Plan for site; back before the Council for Final Development Plan approval and a Redevelopment contract approval. The process normally takes about six months to complete and all meetings are open to the public. The process applies to the School District as well.

Commissioner Masica made a motion authorizing staff to proceed with negotiations with OPUS Northwest LLC with respect to the redevelopment of the bus garage property. Commissioner Kelly seconded the motion.

Ayes: Housh, Hovland, Kelly, Masica, Maetzold
 Motion carried.

RESOLUTION NO. 2001-03 - A RESOLUTION APPROVING ELIMINATION OF PARCELS FROM GRANDVIEW TAX INCREMENT FINANCING DISTRICT

Director Hughes informed the Council that staff is recommending the following parcels be dropped from the Grandview Tax Increment district to provide greater financing flexibility for the redevelopment of the bus garage site:

Description	Parcel identification number	Current captured tax capacity
Minnesota Wanner	28-117-21-34-0002	Knocked-out
Bus Garage	28-117-21-34-0004	Tax Exempt
Bus Garage	28-117-21-34-0005	Tax Exempt
Car Wash Site	28-117-21-34-0025	1,602
Car Wash Site	28-117-21-34-0017	1,777
Public Works Garage	28-117-21-31-0014	Tax Exempt
Public Works Garage	28-117-21-31-0015	Tax Exempt
Public Works Garage	28-117-21-31-0016	Tax Exempt

Under the current tax increment district, the City captures about \$4,000 in tax increment. In addition, any redevelopment that would occur under the current district would only continue until the district is decertified in December 2010. Mr. Hughes noted that by dropping these parcels out, they would become eligible to set up a new tax increment district that would last 25 years. This would provide greater leverage for use of tax increment in financing the redevelopment of the site.

Currently, state legislation is being proposed that would disallow amendments to pre-1990 tax increment districts after April 30, 2001. The action of dropping out parcels could be construed as a plan amendment. As a result, staff recommends dropping the parcels out of the district now.

Commissioner Kelly inquired who owned the car wash property. Mr. Hughes answered that Jerry's Enterprises owns the car wash site.

Commissioner Housh asked if the public works building is in the tax increment district. Mr. Hughes said the bus garage and public works have always been tax exempt properties but are included in the district.

Commissioner Masica asked what is the criteria for establishing a TIF district. Mr. Hughes said the goal would be to qualify the new district as a redevelopment district and a certain percentage of the buildings must be deemed blighted or sub-standard. Ms. Masica asked what type of business Minnesota Wanner is. Mr. Hughes said it is a small manufacturing business. Mr. Hughes said if these parcels are not dropped out, there are only 6-7 years to capture tax increments before the district ends.

No resident comments were heard.

Commissioner Hovland introduced the following resolution and moved its approval:

HRA RESOLUTION NO. 2001-03

**A RESOLUTION APPROVING ELIMINATION OF PARCELS FROM
GRANDVIEW TAX INCREMENT FINANCING DISTRICT**

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

1. Proposed Elimination of Parcels. The HRA and the City of Edina (the "City") have approved a redevelopment plan, as defined in Minnesota Statutes, Section 469.002, subdivision 16, designated as the Grandview Area Redevelopment Plan (the "Redevelopment Plan"), and a redevelopment project to be undertaken pursuant thereto, as defined in Minnesota Statutes, Section 469.002, subdivision 14 designated as Grandview Redevelopment Project No. 1 (the "Redevelopment Project"), and that in order to finance the public redevelopment costs to be incurred by the HRA and City in connection with the Redevelopment Plan and the Redevelopment Project, the HRA and City have approved a tax increment financing plan, pursuant to the provisions of Minnesota Statutes, Section 469.175, designated as Grandview Tax Increment Financing Plan (the "Financing Plan"), which establishes a tax increment financing district, as defined in Minnesota Statutes, Section 469.174, subdivision 9, designated by the HRA as Grandview Tax Increment Financing District (Hennepin County No. 1202) (the "District"). On April 7, 1997, December 7, 1999 and August 15, 2000, the HRA and City approved amendments to the Redevelopment Plan, Redevelopment Project and Financing Plan. It has been proposed that the HRA reduce the geographic area of the District by the elimination of the following tax parcels from the District (the "Eliminated Parcels"): 28-117-21-34-0002; 28-117-21-34-0004; 28-117-21-34-0005; 28-117-21-34-0025; 28-117-21-34-

