

**CPED MULTIFAMILY HOUSING DEPARTMENT**  
**Affordable Housing Inventory Project Data Worksheet**



Project Status	
Proposed:	8/13/2009
Approved:	<input checked="" type="checkbox"/>
Closed:	
Complete:	

Impaction	
<input type="radio"/> Non-Impacted	
<input checked="" type="radio"/> Impacted	

Occupancy	
<input checked="" type="radio"/> Rental	
<input type="radio"/> Ownership	

Project Name:	Five15 on the Park
Main Address:	515 15th Ave S
Project Aliases:	Currie Park Lofts (Phase I)
Additional Addresses:	1500, 1506, 1514 6th St S; 1500, 1505, 1506, 1515 5th St S; 1507 4th St S
Ward:	2
Neighborhood:	Cedar-Riverside

Project Activity	
<input checked="" type="checkbox"/> New Construction	
<input type="checkbox"/> Rehabilitation	
<input type="checkbox"/> Stabilization	
<input type="checkbox"/> Preservation	
Year Built:	

Development	
<input checked="" type="radio"/> Apartment/Condo	
<input type="radio"/> Townhome	
<input type="radio"/> Coop	
<input type="radio"/> Shelter	
<input type="radio"/> Transitional	
<input type="radio"/> Scattered Site/Other	

Household	
<input checked="" type="checkbox"/> General	
<input checked="" type="checkbox"/> Family w/Children	
<input type="checkbox"/> Senior	
<input checked="" type="checkbox"/> Single	
<input type="checkbox"/> Special Needs	
<input type="checkbox"/> Homeless	

Housing Production and Affordability							
UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY				
			<30%	<50%	<60%	<80%	MKT
0BR	16	0BR	0	4	6	0	6
1BR	125	1BR	0	25	38	0	62
2BR	92	2BR	0	18	26	0	48
3BR	26	3BR	0	5	8	0	13
4+BR	0	4+BR	0	0	0	0	0
TOT	259	TOT	0	52	78	0	129

Shelter Units:  + Conversion Units:   
 Section 8:

**GENERAL INFORMATION**

Five15 on the Park (formerly Currie Park Lofts) is a mixed-income, transit-oriented housing complex scheduled to be the first phase of a three phase development directly adjacent to the Cedar-Riverside LRT station. Utilizing land now or previously occupied by vacant or blighted structures and parking lots, the development will provide affordable and market rate housing choices that are well connected with transit, and within walking distance from major educational and employment centers.

Five15 on the Park will be a newly constructed six-story elevator building occupying approximately 1.7 acres of land between Riverside Plaza and Currie Park. It will include 259 rental housing units with structured parking. The rental units will be for general occupancy, with 20% of the units affordable at 50% AMI, and an additional 30% affordable at 60% AMI. This project includes the minimum components to comply with the Minnesota Overlay to the Green Communities Standards related to green building techniques and energy efficiency.

The first floor will house common areas and commercial space, in addition to several housing units. Some of the commercial space is planned for neighborhood oriented uses. Two large landscaped areas will provide recreation spaces for the residents, including playgrounds for children and picnic areas for the residents' families, and improved stormwater management. The building exterior will be clad in different materials, including glass and metal.

Partnership: Five15 Limited Partnership

Developer Contact:  
 Bianca Fine  
 Fine Associates  
 IDS Center Suite 1916  
 Minneapolis, MN 55402-  
 Phone: (612) 332-2561 ext-  
 Fax: (612) 334-3348  
 bfine@fineassociates.com

Owner Contact:  
 Bianca Fine  
 Fine Associates  
 IDS Center Suite 1916  
 Minneapolis, MN 55402-  
 Phone: (612) 332-2561 ext-  
 Fax: (612) 334-3348  
 bfine@fineassociates.com

Contact Information:  
Consultant:  
 Becky Landon  
 Landon Group, LLC  
 1402 Edmund Ave  
 Saint Paul, MN 55104-  
 Phone: (651) 647-3457 ext-  
 Fax: (651) 647-4148  
 becky@landon-group.com

Contractor:  
 Pete Donnino  
 Frana & Sons  
 633 2nd Ave S  
 Hopkins, MN 55343-  
 Phone: (952) 935-8600 ext-  
 Fax:  
 pdonnino@frana.com

Architect:  
 J. Owen Boarman  
 BKV Group, Inc.  
 222 N 2nd St  
 Minneapolis, MN 55401-1423  
 Phone: (612) 339-3752 ext-  
 Fax: (612) 339-6212  
 jboarman@bkgvgroup.com

Property Manager:  
 Fine Associates  
 Phone: (612) 332-2561 ext-  
 Fax: (612) 334-3348

CPED Coordinator:  
 Matt Goldstein  
 CPED  
 105 5th Ave S Suite 200  
 Minneapolis, MN 55401-  
 Phone: (612) 673-5075 ext-  
 Fax: (612) 673-5259  
 matt.goldstein@ci.minneapolis.mn.us

CPED Legal:  
 Nikki Newman  
 Phone: (612) 673-5273 ext-  
 Fax: (612) 673-5112

CPED Rehab:  
 Jim Edin  
 Phone: (612) 673-5275 ext-  
 Fax: (612) 673-5207

CPED Support Coordinator  
 Arlene Robinson  
 Phone: (612) 673-5245 ext-  
 Fax: (612) 673-5259

MPLS Affirmative Action  
 Leslie Woyee  
 Phone: (612) 673-2583 ext-  
 Fax: (612) 673-2599



Project Status	
Proposed:	8/13/2009
Approved:	<input checked="" type="checkbox"/>
Closed:	
Complete:	

Impaction	
<input type="radio"/> Non-Impacted	
<input checked="" type="radio"/> Impacted	

Occupancy	
<input checked="" type="radio"/> Rental	
<input type="radio"/> Ownership	

Project Name:	Five15 on the Park
Main Address:	515 15th Ave S
Project Aliases:	Currie Park Lofts (Phase I)
Additional Addresses:	1500, 1506, 1514 6th St S; 1500, 1505, 1506, 1515 5th St S; 1507 4th St S
Ward:	2
Neighborhood:	Cedar-Riverside

Project Activity	
<input checked="" type="checkbox"/> New Construction	
<input type="checkbox"/> Rehabilitation	
<input type="checkbox"/> Stabilization	
<input type="checkbox"/> Preservation	
Year Built: _____	

Development	
<input checked="" type="radio"/> Apartment/Condo	
<input type="radio"/> Townhome	
<input type="radio"/> Coop	
<input type="radio"/> Shelter	
<input type="radio"/> Transitional	
<input type="radio"/> Scattered Site/Other	

Household	
<input checked="" type="checkbox"/> General	
<input checked="" type="checkbox"/> Family w/Children	
<input type="checkbox"/> Senior	
<input checked="" type="checkbox"/> Single	
<input type="checkbox"/> Special Needs	
<input type="checkbox"/> Homeless	

Housing Production and Affordability									
UNIT COMPOSITION	UNIT	QTY	UNIT AFFORDABILITY	UNIT	<30%	<50%	<60%	<80%	MKT
	0BR	16		0BR	0	4	6	0	6
	1BR	125		1BR	0	25	38	0	62
	2BR	92		2BR	0	18	26	0	48
	3BR	26		3BR	0	5	8	0	13
4+BR	0	4+BR	0	0	0	0	0		
TOT	259	TOT	0	52	78	0	129		
Shelter Units: _____		+ Conversion Units: _____							
Section 8: _____									

## USES AND PERMANENT SOURCES

Project Uses:	
Land:	\$5,812,908.00
Construction:	\$32,838,619.00
Construction Contingency:	\$1,313,273.00
Construction Interest:	\$1,826,035.00
Relocation:	\$0.00
Developer Fee:	\$3,950,000.00
Legal Fees:	\$200,000.00
Architect Fees:	\$845,500.00
Other Costs:	\$2,723,864.00
Reserves:	\$2,630,199.00
Non-Housing:	\$338,325.00
TDC:	\$52,478,723.00
TDC/Unit:	\$202,621.00

**Financing Notes:**  
Approximately 79% of the funding sources are private sources. On January 27, 2012, the City Council provided preliminary approval of housing revenue bonds and TIF PAA.

Project Permanent Sources:				
Source / Program	Amount	%	Term	Committed
Met Council <i>LHIA</i>	\$400,000.00			11/17/2011
FHF <i>FHF</i>	\$250,000.00			11/17/2011
Met Council <i>LCDA TOD</i>	\$993,229.00			12/1/2012
MHFA	\$250,000.00			11/17/2011
Met Council <i>LCDA</i>	\$433,771.00			1/27/2012
City of Minneapolis <i>HRB (TIF)</i>	\$4,955,600.00		Pay Go	3/1/2013
Hennepin County <i>TOD</i>	\$370,000.00			3/10/2008
Met Council <i>HRAF</i>	\$1,720,000.00	0.00%	4/30/2013 FORGIVABLE	7/29/2009 HD00000951
CPED <i>AHTF (2011)</i>	\$1,200,000.00			2/10/2012
	\$6,712,110.00			3/1/2013
<i>Syndication Proceeds</i>				
Hennepin County <i>TOD (2012)</i>	\$390,000.00			12/1/2012
	\$6,316,509.00			12/31/2011
<i>GP Equity &amp; Deferred Dev Fee</i>				
HUD <i>HRB</i>	\$28,487,504.00			3/1/2013
<b>TDC:</b>	<b>\$52,478,723.00</b>			



Currie Park  
Redevelopment Plan

# Currie Park Redevelopment Plan

---

## Table of Contents

I.	Introduction .....	1
II.	Description of Project .....	1
	A. Boundary of Redevelopment Project .....	1
	B. Objectives of Redevelopment Plan .....	2
	C. Types of Redevelopment Activities .....	2
	D. Public Purpose .....	2
	E. Citizen Participation .....	2
	F. Public Financing .....	2
III.	Land Use Plan.....	3
	A. Future Land Use .....	3
	B. Conformance with Approved City Plans .....	3
	C. Land Use Restrictions .....	5
IV.	Project Proposals .....	5
	A. Proposed Development Activity .....	5
	B. Property Acquisition .....	6
	C. Relocation.....	6
	D. Redevelopers' Obligations.....	6
V.	Official Action to Carry Out Redevelopment Plan.....	6
VI.	Procedure for Changes in Approved Redevelopment Plan.....	6

### Exhibits

1. Project Boundary and Future Land Use Map
2. Project Area Report
3. Site Plan and Rendering

# Currie Park Redevelopment Plan

---

## I. Introduction

Three plan documents have been prepared to facilitate the development of Five15 on the Park, a 259-unit mixed-income transit-oriented rental housing project with approximately 5,000 square feet of ground-level neighborhood-serving commercial space and an underground garage in a new six-story building at the intersection of 6th Street South and 15th Avenue South in the Cedar-Riverside/West Bank area of Minneapolis:

- The Currie Park Tax Increment Financing (TIF) Plan establishes a new housing TIF District to help finance various public project costs and to establish a budget for the use of tax increment revenue generated by the new TIF District.
- This Currie Park Redevelopment Plan establishes a new redevelopment project within which the Currie Park TIF District will be located.
- Modification No. 8 to the Cedar-Riverside Urban Renewal Plan removes the properties within the Currie Park Redevelopment Project Area from the Cedar-Riverside Urban Renewal Area through a project boundary change. The properties will remain within the boundary of the Common Development and Redevelopment Project.

This Redevelopment Plan establishes a new redevelopment project and identifies its boundary, redevelopment objectives and land use provisions.

## II. Description of Project

### A. Boundary of Redevelopment Project

Under the authority of Minnesota Statutes Sections 469.001 to 469.047 (the Housing and Redevelopment Authorities Act), approval of this Redevelopment Plan establishes a new redevelopment project as defined in Minnesota Statutes Section 469.002, Subdivision 14.

The proposed Currie Park Redevelopment Project is located at the intersection of 6<sup>th</sup> Street South and 15<sup>th</sup> Avenue South in the Cedar Riverside neighborhood of Minneapolis. The Project Area consists of six tax parcels and portions of two additional tax parcels identified below by their current Property Identification Numbers (PINs) and current addresses.

<b>Property Identification Number</b>	<b>Property Address</b>	<b>Portion of Parcel Included in Project Area</b>
26-029-24-41-0062	1500 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0063	1506 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0064	1514 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0065	1515 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0066	1507 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0067	1505 5 <sup>th</sup> Street South	Entire parcel
26-029-24-14-0082	1500 5 <sup>th</sup> Street South	Southerly 14.06 feet
26-029-24-14-0083	1506 5 <sup>th</sup> Street South	Southerly 14.03 feet

## Currie Park Redevelopment Plan

---

The City Planning Commission approved the final plat application for these properties on August 26, 2013. New PINs will be assigned upon filing of the plat. The new legal description of the property to be included in the Project Area is anticipated to be Lot 1, Block 1, FiveFifteen Addition.

The Project Boundary and Future Land Use Map is included in this Redevelopment Plan as Exhibit 1. Documentation of the property's eligibility as a redevelopment project area is presented in Exhibit 2.

### **B. Objectives of Redevelopment Plan**

The City of Minneapolis seeks to achieve the following objectives through this Redevelopment Plan:

- Increase the number of housing units and choices within the city.
- Increase housing density.
- Provide affordable housing units.
- Eliminate blighting influences.
- Support strong and diverse neighborhoods where people choose to live.
- Promote transit-oriented development.
- Increase the property tax base.

### **C. Types of Redevelopment Activities**

The objectives of this Redevelopment Plan may be accomplished through the following public and private redevelopment activities: site preparation, public improvements, new construction, project administration and other related activities.

### **D. Public Purpose**

Public purposes of this Redevelopment Plan include removal of blight or the causes of blight, redevelopment of an underused parcel, provision of housing units, promotion of transit-oriented development, and tax base enhancement.

### **E. Citizen Participation**

The West Bank Community Coalition (WBCC) is the recognized neighborhood group for the project area.

WBCC will be given the opportunity to review and comment on this Redevelopment Plan prior to consideration of the plan by the City Council.

### **F. Public Financing**

Potential sources of public financing include tax increment financing, housing revenue bonds, the City's Affordable Housing Trust Fund, federal tax credits, Minnesota Housing funds, and state and local environmental and development grants.

### III. Land Use Plan

#### A. Future Land Use

The designated future land use within the Currie Park Redevelopment Project area is Urban Neighborhood.

The City's comprehensive plan designates the site's future land use as Urban Neighborhood, which can include residential as well as neighborhood-serving commercial and other compatible uses.

The Project Boundary and Land Use Map is included in this Redevelopment Plan as Exhibit 1.

#### B. Conformance with Approved City Plans

The proposed development conforms to City-approved plans and ordinances.

##### **The Minneapolis Plan for Sustainable Growth**

*The Minneapolis Plan for Sustainable Growth*, the City's comprehensive plan, indicates the redevelopment area is located within the Cedar Riverside Transit Station Area, which generally supports high density transit-oriented development. The plan indicates the land use for the Currie Park Redevelopment Plan is Urban Neighborhood, which is consistent with a vision for primarily residential development with neighborhood-serving commercial uses, as proposed.

*The Minneapolis Plan for Sustainable Growth* describes Transit Station Areas as follows:

Area within ½ mile radius of a fixed-route transit station, including light rail, commuter rail, or busway.

*The Minneapolis Plan for Sustainable Growth* describes Urban Neighborhood Areas as follows:

Predominantly residential area with a range of densities, with highest densities generally to be concentrated around identified nodes and corridors. May include undesignated nodes and some other small-scale uses, including neighborhood-serving commercial and institutional and semi-public uses (for example, schools, community centers, religious institutions, public safety facilities, etc.) scattered throughout.

The proposed development conforms to the following comprehensive plan policies:

Policy 1.13: Support high density development near transit stations in ways that encourage transit use and contribute to interesting and vibrant places.

1.13.1 Encourage pedestrian-oriented services and retail uses as part of higher density development near transit stations.

1.13.2 Pursue opportunities to integrate existing and new development with transit stations through joint development.

## Currie Park Redevelopment Plan

---

- 1.13.3 Discourage uses that diminish the transit and pedestrian character of areas around transit stations, such as automobile services, surface parking lots, and drive-through facilities.
- 1.13.4 Encourage architectural design, building massing and site plans to create or improve public and semi-public spaces near the station.
- 1.13.5 Concentrate highest densities and mixed use development adjacent to the transit station and along connecting corridors served by bus.
- 1.13.6 Encourage investment and place making around transit stations through infrastructure changes and the planning and installation of streetscape, public art, and other public amenities.

Policy 3.1: Grow by increasing the supply of housing.

- 3.1.1 Support the development of new medium- and high-density housing in appropriate locations throughout the city.
- 3.1.2 Use planning processes and other opportunities for community engagement to build community understanding of the important role that urban density plays in stabilizing and strengthening the city.
- 3.1.3 Continue to streamline city development review, permitting, and licensing to make it easier to develop property in the City of Minneapolis.

Policy 3.5: Improve the stability and health of communities of concentrated disadvantage through market building strategies, and strategies that preserve and increase home ownership.

- 3.5.1 Work to improve the stability and sustainability of the city's disadvantaged communities by taking measures to diversify the household mix and allay historic patterns of concentration of poverty.
- 3.5.2 Pursue an integrated array of development and revitalization strategies to attract a broadened socio-economic mix of residents to communities of concentrated disadvantage.

### **Small Area Plan**

The Cedar Riverside Small Area Plan was approved by the City Council on April 18, 2008. It has since been incorporated as part of *The Minneapolis Plan for Sustainable Growth*, the City's comprehensive plan. The proposed redevelopment project falls within the plan's study area and recommendations.

The proposed uses are consistent with the small area plan. On the plan's land use map, this area is shown with two designations: High Density Residential for the majority of the parcels in the project area, with one shown as Mixed Use. Additionally, the plan states:

Maintain land use largely as is with incremental change and infill consistent with surrounding character.

## Currie Park Redevelopment Plan

---

Focus the most intensive development near future transit stops and existing commercial areas and encourage the provision of open space and active stormwater management in new developments.

Infill housing within the interior of the neighborhood should be complementary in bulk and height to adjacent uses.

### **Zoning Ordinance**

The City's zoning code regulates land use and development intensity in order to carry out the policies of the City's comprehensive plan.

The proposed project area is zoned R6 (Multiple-family) District, with the Cedar-Riverside Transit Station Area (TSA), Pedestrian-Oriented (PO) Overlay District and the University Area (UA) Overlay District. This is appropriate zoning to facilitate the above noted goals of the comprehensive plan and the Cedar Riverside Small Area Plan.

This project was brought through the City's development review process, and was approved by the City Planning Commission on March 4, 2013. The land use applications required included a conditional use permit for a planned unit development, site plan review, and several variances related to site and development standards. All applications were approved. A subsequent appeal of the approvals was denied by the City Council on June 28, 2013.

### **C. Land Use Restrictions**

A redevelopment contract between the City and the developer of property within the project area will contain specific requirements regarding terms and conditions, including land use restrictions.

## **IV. Project Proposals**

### **A. Proposed Development Activity**

Currie Park Developments, LLC, an affiliate of Fine Associates, LLC, proposes to develop Five15 on the Park, a rental housing project, on its property at 515 15th Avenue South. The 1.75-acre development site faces Currie Park and is adjacent to Riverside Plaza and the Mixed Blood Theater, within the Cedar Riverside neighborhood and West Bank area of Minneapolis.

Development activity will include construction of a 259-unit six-story mixed-income transit-oriented rental housing project with approximately 5,000 square feet of ground-level neighborhood-serving commercial space and an underground garage and other structured parking containing a total of 242 stalls. Bike racks will provide stalls available to residents, guests and the commercial space users.

At least 20% of the units (or 52 units) will be affordable at 50% of the Area Median Income (AMI), and an additional 30% of the units (or 78 units) will be affordable at 60% of AMI. The remaining 129 units will not carry income or rent restrictions. The residential units will be one-, two- and three-bedroom apartments and studios.

## Currie Park Redevelopment Plan

---

Features of the building will include walk-up units along both 15th Avenue South and 6th Street South, a landscaped courtyard facing 6th Street South, and a second-floor terrace.

A site plan and rendering of the anticipated development are provided in Exhibit 3.

### **B. Property Acquisition**

The City does not currently intend to acquire any property within the Redevelopment Project.

### **C. Relocation**

It is not anticipated that any businesses or residents will be displaced by public redevelopment activities within the project area.

### **D. Redevelopers' Obligations**

The requirements imposed upon redevelopers, their successors or assigns, will be established in a development agreement between the City and the developer of property within the project area.

## **V. Official Action to Carry Out Redevelopment Plan**

Minnesota law requires that the Minneapolis City Planning Commission review this Redevelopment Plan and that its written opinion, if any, accompany the Redevelopment Plan when it is officially submitted to the City Council for approval (Minnesota Statutes, Section 469.027).

In approving this Redevelopment Plan, the City Council is responsible for carrying out those elements of the plan requiring official action by the City.

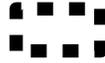
## **VI. Procedure for Changes in Approved Redevelopment Plan**

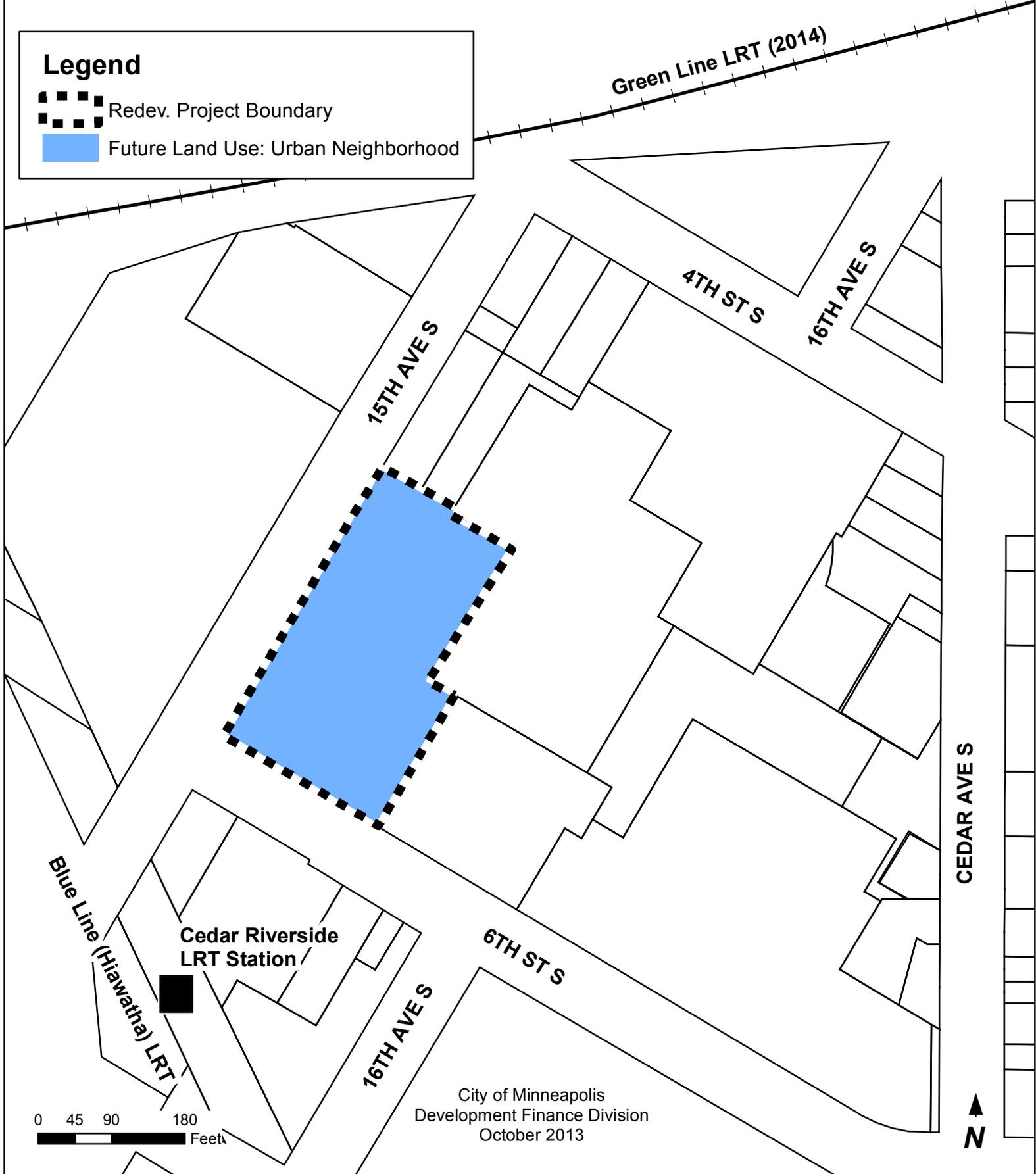
This Redevelopment Plan may be modified as provided in Minnesota Statutes, Section 469.029, Subdivision 6:

A redevelopment plan may be modified at any time. The modification must be adopted by the authority and the governing body of the political subdivision in which the project is located, upon the notice and after the public hearing required for the original adoption of the redevelopment plan. If the authority determines the necessity of changes in an approved redevelopment plan or approved modification thereof, which changes do not alter or affect the exterior boundaries, and do not substantially alter or affect the general land uses established in the plan, the changes shall not constitute a modification of the redevelopment plan nor require approval by the governing body of the political subdivision in which the project is located.

# Currie Park Redevelopment Project Boundary & Future Land Use Map

**Legend**

-  Redev. Project Boundary
-  Future Land Use: Urban Neighborhood



City of Minneapolis  
Development Finance Division  
October 2013

## Currie Park Redevelopment Plan

---

### Project Area Report

The conditions that qualify the proposed Currie Park Redevelopment Project as a redevelopment project as defined in Minnesota Statutes Section 469.002, Subdivisions 11 and 14 and Section 469.028, Subdivision 3 are described below.

#### Statutory Definitions

Minnesota Statutes Section 469.002, Subdivision 14 includes in its definition of a redevelopment project “any work or undertaking to acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight.”

A “blighted area” is defined in Minnesota Statutes Section 469.002, Subdivision 11 as “any area with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.”

Minnesota Statutes Section 469.028, Subdivision 3 provides that “a redevelopment project may include any work or undertaking to acquire open or undeveloped land determined to be blighted by virtue of the following conditions:

- (1) unusual and difficult physical characteristics of the ground;
- (2) the existence of faulty planning characterized by the subdivision or sale of lots laid out in disregard of the contours or of irregular form and shape or of inadequate size; or
- (3) a combination of these or other conditions which have prevented normal development of the land by private enterprise and have resulted in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare.”

#### Description of Project Area

The proposed project area consists of six tax parcels and portions of two additional tax parcels identified below and shown on the Project Boundary and Future Land Use Map (Exhibit 1).

Property Identification Number	Property Address	Portion of Parcel Included in TIF District
26-029-24-41-0062	1500 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0063	1506 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0064	1514 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0065	1515 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0066	1507 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0067	1505 5 <sup>th</sup> Street South	Entire parcel
26-029-24-14-0082	1500 5 <sup>th</sup> Street South	Southerly 14.06 feet
26-029-24-14-0083	1506 5 <sup>th</sup> Street South	Southerly 14.03 feet

## Currie Park Redevelopment Plan

---

The approximately 1.75-acre area is located at the intersection of 6th Street South and 15th Avenue South in the Cedar-Riverside neighborhood and West Bank area of Minneapolis. The parcel at 1500 6<sup>th</sup> Street South is occupied by a structure. The buildings that once were located on the other parcels were demolished several years ago and the parcels are currently open vacant land with some limited surface parking use.

The two-story brick building at 1500 6<sup>th</sup> Street South was constructed in 1900 and originally housed the Gluek Brewing Company Saloon. A newer garage is attached to the building. The structure was most recently used as a residence. It is currently vacant. Although the lower level windows and doors are boarded, the building is in fair condition.

The adjacent parcel at 1506 6<sup>th</sup> Street South has some bituminous pavement in poor condition and is used for permitted surface parking.

The remainder of the area is open space with remnants of driveways, sidewalks and curb cuts. Non-paved areas are covered by grass and weeds.

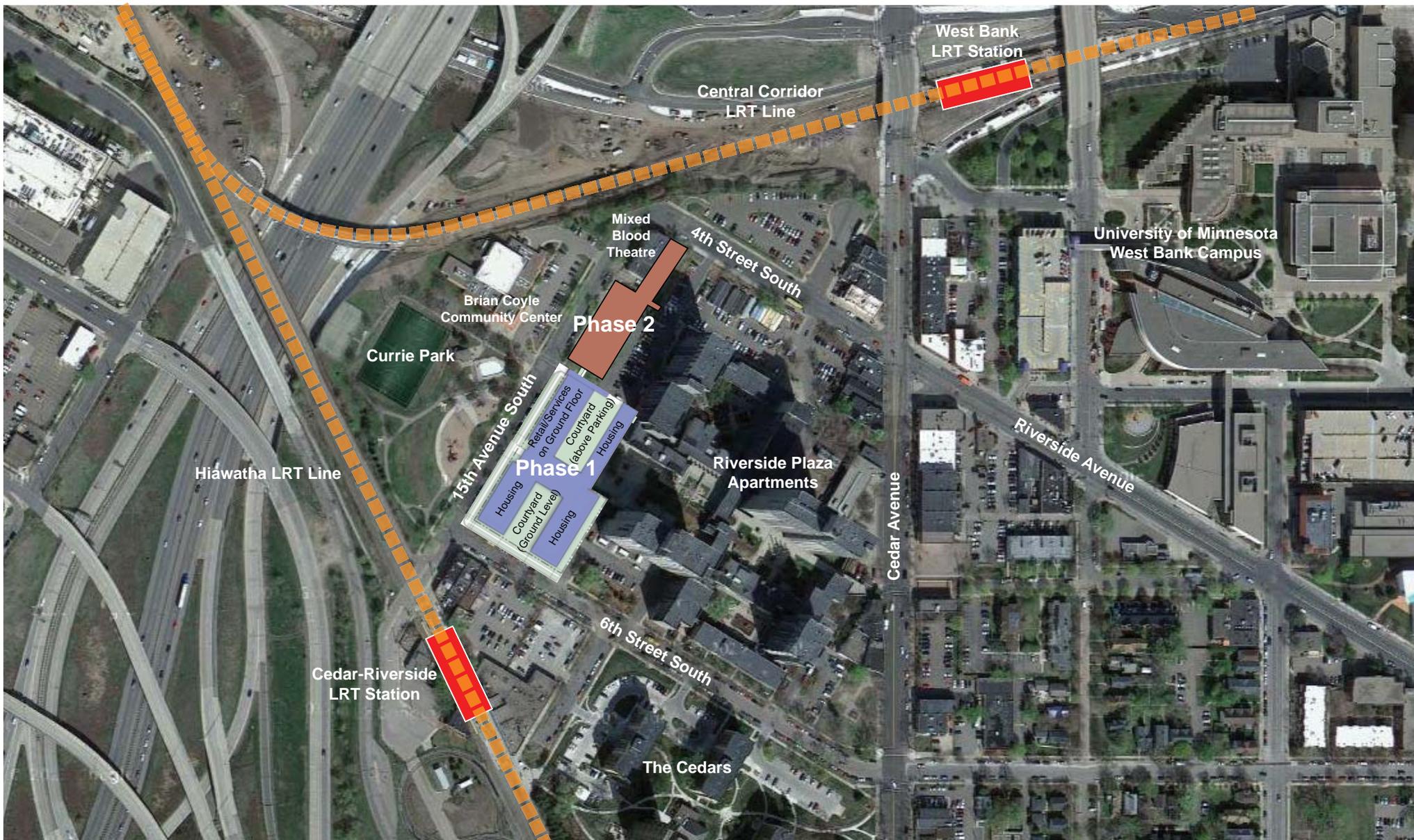
The properties are located within an area designated as Urban Neighborhood by the City's comprehensive plan, a category described as a predominantly residential area with a range of densities, with highest densities generally to be concentrated around identified nodes and corridors.

### **Eligibility**

Based on the characteristics of the project area described above, it is determined that the proposed Currie Park Redevelopment Project Area is underutilized and unproductive land, and therefore a blighting influence on the surrounding area. Current conditions are found to be a deleterious land use. This stagnant and unproductive land is potentially useful and valuable for contributing to the public health, safety, and welfare.

The proposed development described in the Currie Park Redevelopment Plan will remove the blighting influence and facilitate the implementation of City land use policies and redevelopment objectives.

Documentation supporting these findings is on file in the office of the City of Minneapolis Development Finance Division, Crown Roller Mill, Suite 575, 105 5<sup>th</sup> Avenue South, Minneapolis, Minnesota 55401.





**BKV**  
GROUP

Architecture  
Interior Design  
Landscape Architecture  
Engineering

**FIVE15 ON THE PARK**  
**3D RENDERING**

08.31.2012 / 1641.01

**FINE ASSOCIATES**

www.bkvgroup.com



Currie Park  
Tax Increment Financing Plan

Revised Draft for Public Review  
October 4, 2013

# Currie Park Tax Increment Financing Plan

---

## Table of Contents

I. Introduction .....	1
II. TIF District Boundary.....	1
III. Type of TIF District.....	2
IV. Maximum Duration of the TIF District .....	2
V. Statement of Objectives .....	2
VI. Proposed Development Activity.....	3
A. Description of Proposed Development Activity.....	3
B. Property That May Be Acquired .....	3
C. Other Expected Development Activity.....	3
VII. Description of Financing .....	3
A. Costs to be Paid with Tax Increment.....	4
B. Maximum Bonds to be Issued.....	4
C. Other Sources of Funding .....	4
D. Original Net Tax Capacity .....	5
E. Original Tax Capacity Rate .....	5
F. Fiscal Disparities Election .....	5
G. Projected Captured Net Tax Capacity and Tax Increment.....	5
VIII. Estimated Impact on Other Taxing Jurisdictions.....	5
IX. Basis for Finding That Development Would Not Occur Without TIF Assistance.....	6

## Exhibits

1. TIF District Boundary Map
2. Documentation of Eligibility
3. Assumptions Schedule
4. Projected Tax Increment Schedule
5. Market Value Test Schedule
6. Site Plan and Rendering

# Currie Park Tax Increment Financing Plan

---

## I. Introduction

Three plan documents have been prepared to facilitate the development of Five15 on the Park, a 259-unit mixed-income transit-oriented rental housing project with approximately 5,000 square feet of ground-level neighborhood-serving commercial space in a new six-story building at the intersection of 6<sup>th</sup> Street South and 15<sup>th</sup> Avenue South in the Cedar-Riverside neighborhood and West Bank area of Minneapolis:

- This Currie Park Tax Increment Financing (TIF) Plan establishes a new housing TIF District to help finance various public project costs and to establish a budget for the use of tax increment revenue generated by the new TIF District.
- The Currie Park Redevelopment Plan establishes a new redevelopment project within which the Currie Park TIF District will be located.
- Modification No. 8 to the Cedar-Riverside Urban Renewal Plan removes the properties within the Currie Park Redevelopment Project Area from the Cedar-Riverside Urban Renewal Area through a project boundary change. The properties will remain within the boundary of the Common Development and Redevelopment Project.

## II. TIF District Boundary

The proposed Currie Park TIF District is located at the intersection of 6<sup>th</sup> Street South and 15<sup>th</sup> Avenue South in the Cedar-Riverside neighborhood of Minneapolis. The TIF District consists of six tax parcels and portions of two additional tax parcels identified below by their current Property Identification Numbers (PINs) and current addresses.

<b>Property Identification Number</b>	<b>Property Address</b>	<b>Portion of Parcel Included in TIF District</b>
26-029-24-41-0062	1500 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0063	1506 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0064	1514 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0065	1515 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0066	1507 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0067	1505 5 <sup>th</sup> Street South	Entire parcel
26-029-24-14-0082	1500 5 <sup>th</sup> Street South	Southerly 14.06 feet
26-029-24-14-0083	1506 5 <sup>th</sup> Street South	Southerly 14.03 feet

The City Planning Commission approved the final plat application for these properties on August 26, 2013. New PINs will be assigned upon filing of the plat. The new legal description of the property to be included in the TIF District is anticipated to be Lot 1, Block 1, FiveFifteen Addition.

The TIF District Boundary Map is attached as Exhibit 1.

## Currie Park Tax Increment Financing Plan

---

### III. Type of TIF District

The Currie Park TIF District is a “housing district” as defined in the Minnesota Tax Increment Financing Act (the “TIF Act”, M.S. Sections 469.174-469.1799):

**M.S. Section 469.174, Subd. 11** "Housing district" means a type of tax increment financing district which consists of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts and that satisfies the requirements of section 469.1761. Housing project means a project, or a portion of a project, that meets all of the qualifications of a housing district under this subdivision, whether or not actually established as a housing district.

**M.S. Section 469.1761, Subd. 1.** (a) In order for a tax increment financing district to qualify as a housing district: (1) the income limitations provided in this section must be satisfied; and (2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses. (b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located in a targeted area as defined in M.S. Section 462C.02, Subd. 9, clause (e).

**M.S. Section 469.1761, Subd. 3.** For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. The requirements of this subdivision apply for the duration of the tax increment financing district.

Additional information about the District's eligibility as a housing TIF District is provided in Exhibit 2.

### IV. Maximum Duration of the TIF District

The maximum duration of the Currie Park TIF District is that which is prescribed by the TIF Act for a housing district. At the time this document was prepared, the TIF Act allowed for a maximum of 26 years of tax increment collection.

### V. Statement of Objectives

The City of Minneapolis (the “City”) seeks to achieve the following objectives through this TIF Plan:

- Increase the number of housing units and choices within the city.
- Increase housing density.
- Provide affordable housing units.

- Eliminate blighting influences.
- Support strong and diverse neighborhoods where people choose to live.
- Promote transit-oriented development.
- Increase the property tax base.

### **VI. Proposed Development Activity**

#### **A. Description of Proposed Development Activity**

Currie Park Developments, LLC, an affiliate of Fine Associates, LLC, proposes to develop Five15 on the Park, a rental housing project, on its property at 515 15<sup>th</sup> Avenue South. The 1.75-acre development site faces Currie Park and is adjacent to Riverside Plaza and the Mixed Blood Theater, within the Cedar Riverside neighborhood and West Bank area of Minneapolis.

Development activity will include construction of a 259-unit six-story mixed-income transit-oriented rental housing project with approximately 5,000 square feet of ground-level neighborhood-serving commercial space and an underground garage and other structured parking containing a total of 242 stalls. Bike racks will provide stalls available to residents, guests and the commercial space users.

At least 20% of the units (or 52 units) will be affordable at 50% of the Area Median Income (AMI), and an additional 30% of the units (or 78 units) will be affordable at 60% of AMI. The remaining 129 units will not carry income or rent restrictions. The residential units will be one-, two- and three-bedroom apartments and studios.

Features of the building will include walk-up units along both 15<sup>th</sup> Avenue South and 6<sup>th</sup> Street South, a landscaped courtyard facing 6<sup>th</sup> Street South, and a second-floor terrace.

A site plan and rendering of the anticipated development are provided in Exhibit 6.

#### **B. Property That May Be Acquired**

The City does not currently intend to acquire any property within the TIF District.

#### **C. Other Expected Development Activity**

No additional development activity is anticipated within the TIF District.

### **VII. Description of Financing**

The figures, sources, and methods of financing identified in this TIF Plan are based on the best estimates and projections available at the time this plan was prepared. Slight changes can be expected. However, if significant changes occur that affect the structure or financial feasibility of the project, or increase the project costs to be paid with tax increment beyond the amounts listed in this TIF Plan, then a formal modification to this plan may become necessary. Such a modification would require the same review and approval process as the original approval of this TIF Plan.

## Currie Park Tax Increment Financing Plan

---

### A. Costs to be Paid with Tax Increment

The total cost of the project is currently estimated to be approximately \$50 million. The maximum amount of project costs that can be paid utilizing tax increment revenues generated from within the Currie Park TIF District is shown below.

The City reserves the right to administratively adjust the amount of any of the line items listed, or to incorporate additional eligible line items, provided that the total use figures listed below are not exceeded.

#### Sources

Tax Increment	\$ <u>9,667,700</u>
Total Sources	\$9,667,700

#### Uses

Affordable Housing Construction	\$ 4,955,600
Pay-As-You-Go Note Interest	3,745,400
City Administration Costs	<u>966,700</u>
Total Uses	\$9,667,700

### B. Maximum Bonds to be Issued

It is not anticipated that the City will issue any tax increment bonds for the Five15 on the Park project. It is anticipated that the City will issue to the developer a pay-as-you-go TIF note in an amount not to exceed \$4,955,600. The City will semi-annually distribute net tax increment to the developer under the terms of the TIF note which will be used, along with operating revenues generated by the housing project itself, to pay semi-annual debt service on one or more series of housing revenue bonds that the City will issue to help construct the project.

As provided in Minnesota Statutes, Section 469.178, Subdivision 7, the City may advance revenues to the Currie Park TIF District fund from other available development revenues of the City in the principal amount needed to offset any negative fund balances incurred with respect to this District as a result of expenditures incurred prior to or in excess of the collection of tax increment revenue. The interest rate paid on such advances shall be equal to the rate of interest those revenues would have generated in their fund, but not to exceed the greater of the rates specified under Minnesota Statutes, Sections 270C.40 or 549.09 as from time to time adjusted. The term of this advance shall end upon the termination of the District, although as revenues are available in the fund for the District, the advance shall be offset by such amounts.

### C. Other Sources of Funding

In addition to the housing revenue bonds described in Section VII B, other sources of funding to construct the project may include developer land equity, tax credit syndication proceeds, deferred developer fees, the Family Housing Fund, the City's

## Currie Park Tax Increment Financing Plan

---

Affordable Housing Trust Fund, Minnesota Housing funds, and Hennepin County and Metropolitan Council grants.

### **D. Original Net Tax Capacity**

It is projected that upon project completion and property reclassification the Original Net Tax Capacity of the TIF District will be \$12,868.

### **E. Original Tax Capacity Rate**

The Original Tax Capacity Rate of the TIF District will be 158.262%, which is the total tax capacity rate for all applicable taxing jurisdictions for taxes payable in 2013. For tax increment projection purposes (see Section VII G), a total tax capacity rate of 150.000% was used.

### **F. Fiscal Disparities Election**

For the purpose of calculating tax increment, the City of Minneapolis elects that the fiscal disparity contribution that is required for all commercial/industrial property located within the TIF District will be made from “outside” the TIF District (M.S. Section 469.177, Subd. 3, Paragraph (a)).

### **G. Projected Captured Net Tax Capacity and Tax Increment**

It is projected that upon project completion the total EMV of the property in the TIF District will be \$26,975,000 and the total net tax capacity (NTC) will be \$274,750. The captured net tax capacity of the TIF District at completion is therefore projected to be \$261,882 (for taxes payable in 2017).

The Assumptions Schedule (Exhibit 3) shows the various assumptions used in projecting net tax increment from the TIF District.

The Projected Tax Increment Schedule (Exhibit 4) shows how tax increment was projected over a 26-year period (2015 to 2040).

## **VIII. Estimated Impact on Other Taxing Jurisdictions**

It is the position of the City of Minneapolis that the development of the property included in this TIF District would not occur as proposed without tax increment financing assistance.

Nevertheless, if it is assumed for the purpose of analysis that the proposed development would occur without tax increment financing assistance, and that the estimated captured net tax capacity at project completion would be immediately available, then the estimated annual impact to the applicable taxing jurisdictions would be as follows:

## Currie Park Tax Increment Financing Plan

---

Taxing Jurisdiction	Pay 2013 Tax Capacity Rate	Property Taxes Resulting From \$261,882 in Captured Net Tax Capacity
City of Minneapolis	72.717%	\$190,433
Hennepin County	48.924	128,123
Special School District #1	27.218	71,279
Other	<u>9.403</u>	<u>24,625</u>
Total	158.262%	\$414,460

### Fiscal and Economic Implications of the TIF District

The estimated amount of total tax increment that would be generated over the maximum duration of the TIF District is \$9,667,769.

The probable impact of the TIF District on City-provided services such as police and fire protection, public infrastructure, and borrowing costs attributable to the TIF District is projected to be very minor due to the small size of the project in comparison to the size of the City budget and tax base.

The estimated amount of tax increment generated over the life of the TIF District that would be attributable to the School District, assuming the School District's tax rate remains at approximately 17.2 percent of the total tax rate, would equal approximately \$1,662,856.

The estimated amount of tax increment generated over the life of the TIF District that would be attributable to the County, assuming the County's tax rate remains at approximately 30.9 percent of the total tax rate, would equal approximately \$2,987,341.

As of the date this plan was prepared, neither the County nor School District have requested any additional information which could assist them in determining additional costs that may accrue due to the development in the TIF District.

### **IX. Basis for Finding That Development Would Not Occur Without TIF Assistance**

M.S. Section 469.175, Subd. 3 provides that, prior to the approval of a TIF Plan, the City Council must find that the proposed development or redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future, and therefore the use of tax increment financing is deemed necessary.

It is the position of the City of Minneapolis that the private development to be constructed in the Currie Park TIF District would not occur without public participation

## Currie Park Tax Increment Financing Plan

---

and financial assistance. This conclusion and finding is based upon the factors and circumstances described below.

The developer has stated that “but-for” the use of tax increment financing the development will not proceed. A financial analysis conducted by the City indicated that projected development costs exceed available funding sources and that a funding gap exists. In order to close this funding gap, tax increment financing assistance is deemed necessary and appropriate.

The project is consistent with development objectives set forth in the Minneapolis Tax Increment Policy in that it will 1) provide housing choices that meet the needs of current residents and attract new residents to the city, 2) provide affordable housing, 3) develop an underutilized site, and 4) eliminate blighting influences.

The amount of tax increment financing requested is reasonable when compared to the overall cost of developing the project, and the developer has explored other options to secure private and public funding for these costs prior to requesting tax increment financing assistance from the City.

The funding gap is in part due to the inclusion of 130 affordable rental units within the project, in compliance with the City’s Unified Housing Policy. The Unified Housing Policy recognizes the serious shortage of affordable housing in Minneapolis and seeks to “grow the population and to have no net loss of housing across all income levels.”

The Unified Housing Policy also states that the City will focus on linking incentives to housing opportunities in proximity to jobs and transit. The urban, pedestrian- and transit-oriented neighborhood within which Five15 on the Park is located is close to major employers such as the University of Minnesota, the Fairview-University Medical Center, the Amplatz Children’s Hospital and Augsburg College, and to numerous smaller Cedar-Riverside businesses. The development site is at a nodal point of the metropolitan transit network, at the convergence of two Light Rail Transit (LRT) lines and in close proximity to the Cedar-Riverside and West Bank LRT stations, as well as three heavily used bus corridors (Cedar, Riverside and Washington Avenues).

Most types of tax increment financing districts must also pass a “market value test” in order to support the finding that the development could not occur without tax increment assistance (M.S. Section 469.175, Subd. 3(b)(2)(ii)). Although this requirement does not apply to housing TIF districts, Exhibit 5 contains the calculations necessary to demonstrate that this test has been satisfied.

# Currie Park TIF District Boundary Map

**Legend**

-  TIF District
-  Cedar Riverside LRT Station
-  Blue (Hiawatha LRT) Line
-  Green Line LRT (2014)



City of Minneapolis  
Development Finance Division  
October 2013

0 45 90 180 Feet



### Documentation of Eligibility

The purpose of this exhibit is to describe the conditions that qualify the Currie Park Tax Increment Financing (TIF) District as a housing district as defined in Minnesota Statutes Section 469.174, Subd. 11:

"Housing district" means a type of tax increment financing district which consists of a project, or a portion of a project, intended for occupancy, in part, by persons or families of low and moderate income, as defined in chapter 462A, Title II of the National Housing Act of 1934, the National Housing Act of 1959, the United States Housing Act of 1937, as amended, Title V of the Housing Act of 1949, as amended, any other similar present or future federal, state, or municipal legislation, or the regulations promulgated under any of those acts and that satisfies the requirements of section 469.1761. Housing project means a project, or a portion of a project, that meets all of the qualifications of a housing district under this subdivision, whether or not actually established as a housing district.

and Section 469.1761, Subd. 1:

(a) In order for a tax increment financing district to qualify as a housing district: (1) the income limitations provided in this section must be satisfied; and (2) no more than 20 percent of the square footage of buildings that receive assistance from tax increments may consist of commercial, retail, or other nonresidential uses. (b) The requirements imposed by this section apply to property receiving assistance financed with tax increments, including interest reduction, land transfers at less than the authority's cost of acquisition, utility service or connections, roads, parking facilities, or other subsidies. The provisions of this section do not apply to districts located in a targeted area as defined in M.S. Section 462C.02, Subd. 9, clause (e).

and Section 469.1761, Subd. 3:

For residential rental property, the property must satisfy the income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code. The requirements of this subdivision apply for the duration of the tax increment financing district.

### Compliance with Income Restrictions

The income requirements for a qualified residential rental project as defined in section 142(d) of the Internal Revenue Code are such that one of two tests must be met:

- a. **20-50 Test** Twenty percent or more of the residential units in the project are occupied by individuals whose income is 50 percent or less of area median gross income.

## Currie Park Tax Increment Financing Plan

---

- b. **40-60 Test** Forty percent or more of the residential units in the project are occupied by individuals whose income is 60 percent or less of area median gross income.

At least 20 percent of the 259 units (or 52 units) in the Five15 on the Park development will be occupied by individuals whose income is 50 percent or less of the Area Median Income (AMI) and an additional 30 percent of the units (or 78 units) will be affordable at 60 percent of AMI. The remaining 129 units will not carry income or rent restrictions. The project therefore meets the first test.

### **Compliance with Requirements for Non-Residential Uses**

M.S. Section 469.1761, Subd. 1(a) provides that no more than 20 percent of the square footage of buildings that receive tax increment assistance may consist of commercial, retail or other non-residential uses. The Five15 on the Park development will include approximately 5,000 square feet of non-residential uses, or less than two percent of the total 356,000-square foot development.

## Assumptions Schedule

### Currie Park TIF Plan

**As-developed EMV: \$26,975,000 (\$575,000 Commercial, \$26,400,000 Housing)**

---

Type of Tax Increment Financing District	Housing
Maximum Duration of TIF District	26 Years of Tax Increment Collection
Certification Request Date	12/10/13
Decertification Date	12/31/40 (Years of Increment = 26)

---

Construction Year =	2012	2013	2014	2015
Assessment Year =	2013	2014	2015	2016
Taxes Payable Year =	2014	2015	2016	2017

---

#### Housing Property

EMV Upon Completion (1)		\$26,400,000	\$26,400,000	\$26,400,000
Percent Complete		5%	70%	100%
Total Estimated Market Value	\$1,029,400	\$1,320,000	\$18,480,000	\$26,400,000
Percent of Housing Property - Class 4a	100%	100%	50%	50%
Percent of Housing Property - Class 4d	0%	0%	50%	50%
Class Rate - 4a	1.25%	1.25%	1.25%	1.25%
Class Rate - 4d	0.75%	0.75%	0.75%	0.75%
Net Tax Capacity (NTC)	\$12,868	\$16,500	\$184,800	\$264,000

#### Commercial/Industrial Property

EMV Upon Completion (2)		\$575,000	\$575,000	\$575,000
Percent Complete		5%	70%	100%
Total Estimated Market Value	\$0	\$28,750	\$402,500	\$575,000
Times: First	\$150,000	1.50%	0	431
Excess		2.00%	0	0
Net Tax Capacity (NTC)		\$0	\$431	\$7,300
		\$0	\$431	\$7,300
Net Tax Capacity (NTC)		\$0	\$431	\$7,300
Total Net Tax Capacity (NTC)		\$12,868	\$16,931	\$192,100
		\$12,868	\$16,931	\$192,100

---

Assessment Year =	2012	2013	2014	2015	2016
Taxes Payable Year =	2013	2014	2015	2016	2017
Original EMV (3)	NA	\$1,029,400	\$1,029,400	\$1,029,400	\$1,029,400
Times: Class Rate	1.25%	1.25%	1.25%	1.25%	1.25%
Original Net Tax Capacity	NA	\$12,868	\$12,868	\$12,868	\$12,868

---

#### Pay-As-You-Go Note

Interest Start Date	02/01/14	Total Tax Capacity Rate	150.000%
Annual Interest Rate	4.10%	City Administrative Fee	10.00%

---

#### Notes

1. Residential EMV projection based on 259 apartments with average values of \$101,931/unit.
2. Commercial EMV projection based on 5,200 s.f. commercial space with value of approx. \$111/s.f.
3. Original EMV based on 2013 Assessed EMVs, for taxes payable in 2014.

## Projected Tax Increment Schedule

### Currie Park TIF Plan

**As-developed EMV: \$26,975,000 (\$575,000 Commercial, \$26,400,000 Housing)**

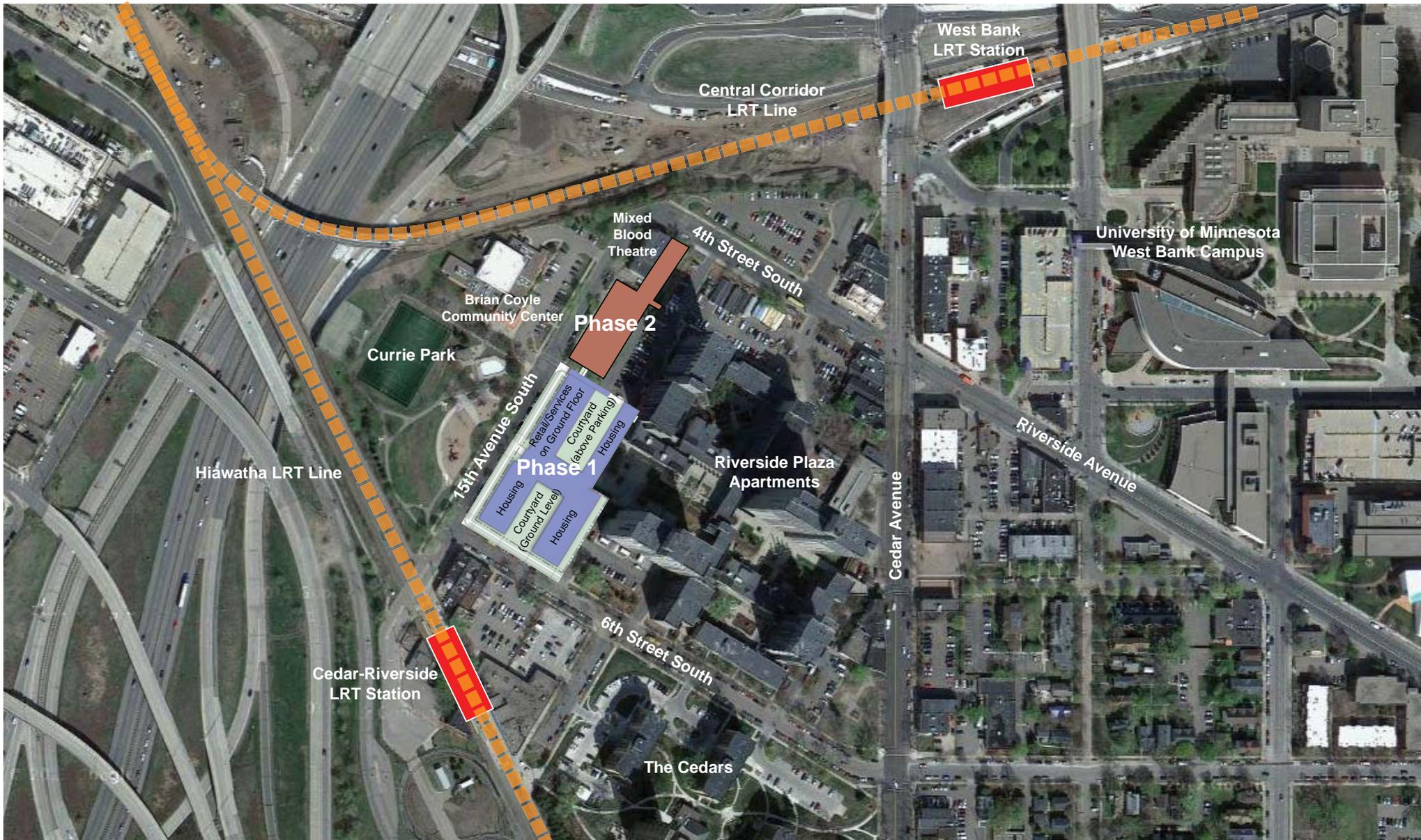
Year Ending (1)	Total Net Tax Capacity (2)	<u>Less:</u> Original Net Tax Capacity (3)	<u>Less:</u> Fiscal Disp. @ 0.0000% (4)	<u>Equals:</u> Retained Captured NTC (5)	<u>Times:</u> Total Tax Capacity Rate (6)	<u>Equals:</u> Annual Gross Tax Increment (7)	<u>Less:</u> State Aud. Fee @ 0.36% (8)	<u>Equals:</u> Increment Distributed to City (9)	<u>Less:</u> City Adm. Fee @ 10.00% (10)	<u>Equals:</u> Net Tax Increment (11)
12/31/15	16,931	12,868	0	4,063	150.000%	6,095	22	6,073	607	5,466
12/31/16	192,100	12,868	0	179,232	150.000%	268,848	968	267,880	26,788	241,092
12/31/17	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/18	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/19	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/20	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/21	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/22	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/23	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/24	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/25	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/26	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/27	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/28	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/29	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/30	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/31	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/32	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/33	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/34	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/35	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/36	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/37	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/38	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/39	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
12/31/40	274,750	12,868	0	261,882	150.000%	392,823	1,414	391,409	39,141	352,268
						\$9,702,695	\$34,926	\$9,667,769	\$966,779	\$8,700,990

## Exhibit 5 Market Value Test Schedule

Valuation and Tax Increment Assumptions				
Payable Year --->	2014	2015	2016	2017
Total Estimated Market Value (EMV)	\$1,029,400	\$1,348,750	\$18,882,500	\$26,975,000
Less: Original EMV	1,029,400	1,029,400	1,029,400	1,029,400
Captured EMV	\$0	\$319,350	\$17,853,100	\$25,945,600
Total Net Tax Capacity (NTC)	\$12,868	\$16,931	\$192,100	\$274,750
Less: Original NTC	12,868	12,868	12,868	12,868
Captured NTC	\$0	\$4,063	\$179,232	\$261,882
Times: Projected Total Tax Rate	150.000%	150.000%	150.000%	150.000%
Gross Tax Increment	\$0	\$6,095	\$268,848	\$392,823
Less: State Auditor's Fee (.36%)	0	22	968	1,414
Tax Increment Distributed to City	\$0	\$6,073	\$267,880	\$391,409

26 Years of TI Collection		
Years of TIF Collection	Payable Year	Tax Increment Distributed To City
0	2014	\$0
1	2015	6,073
2	2016	267,880
3	2017	391,409
4	2018	391,409
5	2019	391,409
6	2020	391,409
7	2021	391,409
8	2022	391,409
9	2023	391,409
10	2024	391,409
11	2025	391,409
12	2026	391,409
13	2027	391,409
14	2028	391,409
15	2029	391,409
16	2030	391,409
17	2031	391,409
18	2032	391,409
19	2033	391,409
20	2034	391,409
21	2035	391,409
22	2036	391,409
23	2037	391,409
24	2038	391,409
25	2039	391,409
26	2040	391,409
27	2041	0
		\$9,667,769
<b>P.V. @ 5.00%</b>		<b>\$5,147,546</b>

Market Value Test	
<b><u>Analysis Required by M.S. Section 469.175, Subd. 3 (2)</u></b>	
(1) "... the increased market value of the site that could reasonably be expected to occur without the use of tax increment ...":	
(a) Projected estimated market value without the use of tax increment	\$1,029,400
(b) Original estimated market value	1,029,400
(c) Increased estimated market value without the use of tax increment = (a) - (b)	\$0
(2) "... increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the district permitted by the plan.":	
(d) Increase in the estimated market value of the completed development.	\$25,945,600
(e) Present value of the projected tax increment for the maximum duration of the district	5,147,546
(f) Difference = (d) - (e)	\$20,798,054
 <b>(3) Since (c) is less than (f), the proposed development or redevelopment passes the test.</b>	





**BKV**  
GROUP

Architecture  
Interior Design  
Landscape Architecture  
Engineering

**FIVE15 ON THE PARK**  
**3D RENDERING**

08.31.2012 / 1641.01

**FINE ASSOCIATES**

www.bkvgroup.com



Modification No. 8 to the  
Cedar-Riverside Urban Renewal Plan

Revised Draft for Public Review  
October 4, 2013

Modification No. 8 to the  
Cedar-Riverside Urban Renewal Plan

A. Table of Contents	
B. Description of Project	
1. Boundaries of Urban Renewal Area	<b>Changed</b>
2. Urban Renewal Plan Objectives	No Change
3. Types of Proposed Renewal Action	No Change
C. Land Use Plan	
1. Land Use Map	No Change
2. Circulation	No Change
3. Sub-Neighborhood Uses	No Change
4. Planned Residential Development	No Change
D. Property Acquisition Map	
1. Categories	No Change
2. Priorities	No Change
E. Property Disposition	
1. Priorities	No Change
2. Controls	No Change
3. Rehabilitation	No Change
F. Displacement/Relocation	No Change
G. Official Action to Carry Out the Urban Renewal Plan	No Change
H. Procedure for Changes in Approved Urban Renewal Plan	No Change
Exhibit 1 Boundary Map – Area to be Removed from the Cedar-Riverside Urban Renewal Area	<b>New</b>

## Modification No. 8 to the Cedar-Riverside Urban Renewal Plan

---

### Introduction

Three plan documents have been prepared to facilitate the development of Five15 on the Park, a 259-unit mixed-income transit-oriented rental housing project with approximately 5,000 square feet of ground-level neighborhood-serving commercial space in a new six-story building at the intersection of 6<sup>th</sup> Street South and 15<sup>th</sup> Avenue South in the Cedar-Riverside neighborhood and West Bank area of Minneapolis:

- The Currie Park Tax Increment Financing (TIF) Plan establishes a new housing TIF District to help finance various public project costs and to establish a budget for the use of tax increment revenue generated by the new TIF District.
- The Currie Park Redevelopment Plan establishes a new redevelopment project within which the Currie Park TIF District will be located.
- This Modification No. 8 to the Cedar-Riverside Urban Renewal Plan removes the properties within the Currie Park Redevelopment Project Area from the Cedar-Riverside Urban Renewal Area through a project boundary change. The properties will remain within the boundary of the Common Development and Redevelopment Project.

Only those portions of the Cedar-Riverside Urban Renewal Plan that are being modified appear in this document.

### Modification No. 8

*The following language is added to Section B of the Cedar-Riverside Urban Renewal Plan:*

#### B. Description of Project

##### 1. Boundaries of the Urban Renewal Area

The following properties are removed from the Cedar-Riverside Urban Renewal Area:

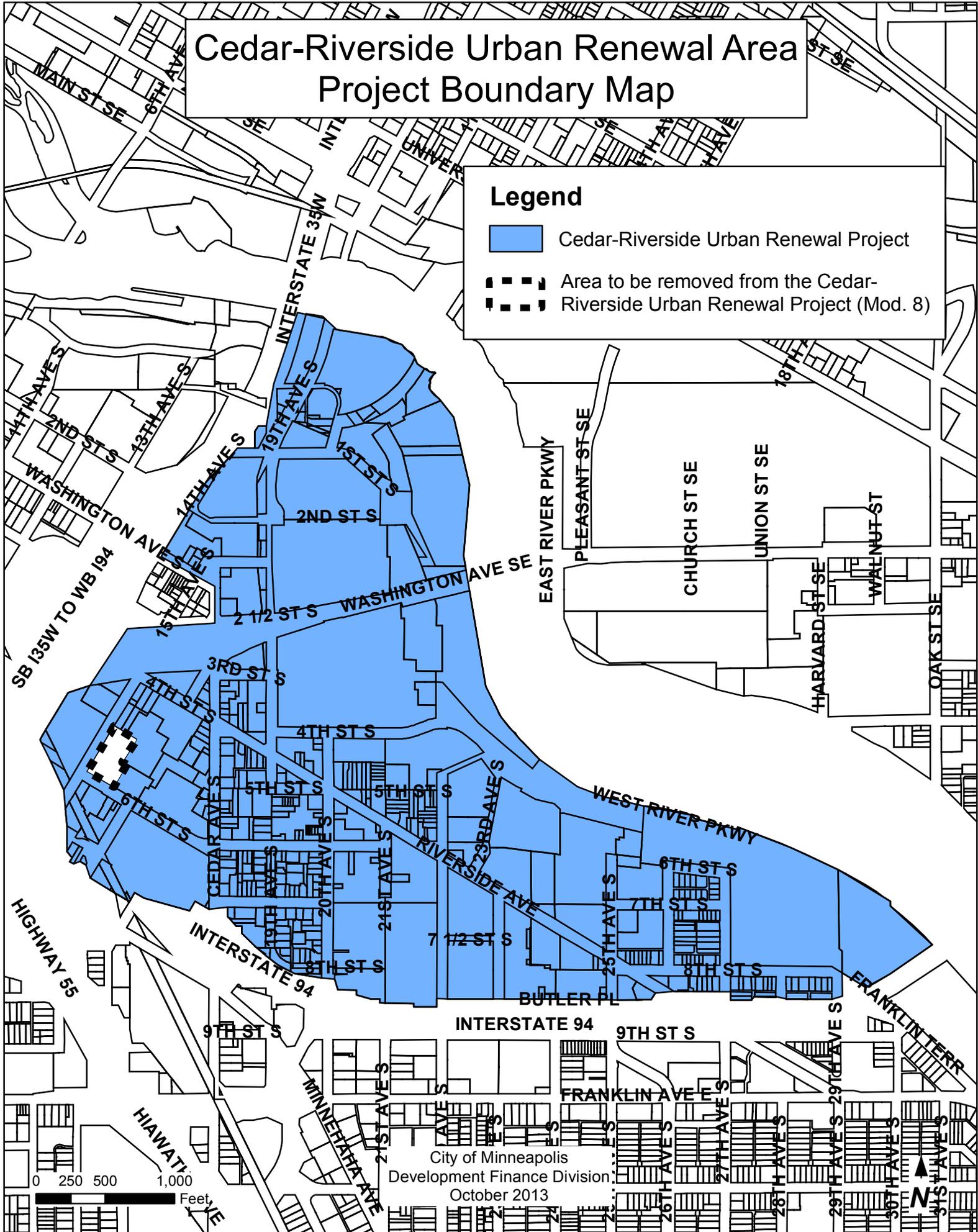
<b>Property Identification No.</b>	<b>Property Address</b>	<b>Portion of Parcel Removed from Urban Renewal Area</b>
26-029-24-41-0062	1500 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0063	1506 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0064	1514 6 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0065	1515 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0066	1507 5 <sup>th</sup> Street South	Entire parcel
26-029-24-41-0067	1505 5 <sup>th</sup> Street South	Entire parcel
26-029-24-14-0082	1500 5 <sup>th</sup> Street South	Southerly 14.06 feet
26-029-24-14-0083	1506 5 <sup>th</sup> Street South	Southerly 14.03 feet

The Project Boundary Map dated July 1981 is replaced by the attached Project Boundary Map dated September 2013 (Exhibit 1).

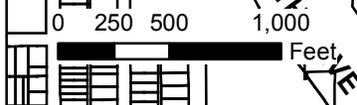
# Cedar-Riverside Urban Renewal Area Project Boundary Map

## Legend

-  Cedar-Riverside Urban Renewal Project
-  Area to be removed from the Cedar-Riverside Urban Renewal Project (Mod. 8)



City of Minneapolis  
Development Finance Division  
October 2013



**RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS**

**By Goodman and Hodges**

**Approving the Currie Park Redevelopment Plan, Currie Park Tax Increment Financing Plan and Modification No 8 to the Cedar-Riverside Urban Renewal Plan.**

Resolved by the City Council of the City of Minneapolis:

Section 1. Recitals

1.1. Pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, the City of Minneapolis (the "City"), acting by and through its department of Community Planning and Economic Development, has been granted the authority to propose and implement city development districts, housing and redevelopment projects and tax increment financing ("TIF") districts, all pursuant to Minnesota Statutes, Sections 469.001 through 469.134, and 469.174 through 469.179, as amended, and other laws enumerated therein (collectively, the "Project Laws").

1.2. By a resolution duly adopted on September 27, 1968, the City Council approved the Cedar-Riverside Urban Renewal Plan, and thereby established the Cedar-Riverside Urban Renewal Area. Subsequent modifications to the Cedar-Riverside Urban Renewal Plan have been prepared and approved by City Council resolutions.

1.3. It has been proposed and the City has caused to be prepared, and this Council has investigated the facts with respect to, the Currie Park Redevelopment Plan (the "Redevelopment Plan"), the Currie Park Tax Increment Financing Plan (the "TIF Plan"), and Modification No 8 to the Cedar-Riverside Urban Renewal Plan ("Modification No 8") (collectively, the "Plans"). The Redevelopment Plan establishes a new redevelopment project and identifies its boundary, redevelopment objectives and land use provisions (the "Currie Park Redevelopment Project" or "Project Area"). The TIF Plan creates a new housing TIF district (the "TIF District") within the Currie Park Redevelopment Project, designates property to be included in the TIF District, states the City's objectives, describes proposed development activity, and identifies a budget for expenditures. Modification No 8 changes the Cedar-Riverside Urban Renewal Area boundary to remove the property located within the TIF District from the Cedar-Riverside Urban Renewal Area. These actions are all pursuant to and in accordance with the Project Laws.

1.4. The City has performed all actions required by law to be performed prior to the adoption of the Plans, including, but not limited to, a review of the proposed Plans by the affected neighborhood groups and the City Planning Commission, transmittal of the proposed Plans to the Hennepin County Board of Commissioners and the School Board of Special School District No 1 for their review and comment, and the holding of a public hearing upon published notice as required by law.

Section 2. Findings and Election

2.1. The Council hereby finds, determines and declares that the objectives and actions authorized by the Plans are all pursuant to and in accordance with the Project Laws.

2.2. The Council further finds, determines and declares that the Plans conform to the general plan for the development or redevelopment of the city as a whole. Written comments of the City Planning Commission with respect to the Plans were issued on October 28, 2013, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.3. The Council further finds, determines and declares that the Plans will afford maximum opportunity, consistent with the sound needs of the city as a whole, for the redevelopment of the Project Area and TIF District by private enterprise.

2.4. The Council further finds, determines and declares that the land in the Project Area and TIF District would not be made available for redevelopment without the financial aid and public assistance to be sought.

2.5. The Council further finds, determines and declares that the Currie Park Redevelopment Project is a redevelopment project pursuant to Minnesota Statutes, Section 469.002, Subdivisions 14 and 16 and that the Project Area is a "blighted area" pursuant to Minnesota Statutes, Section 469.002, Subdivision 11.

2.6. The Council further finds, determines and declares that the TIF District is a housing district pursuant to Minnesota Statutes, Section 469.174, Subdivision 11.

2.7. The Council further finds, determines and declares that the proposed development would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.

2.8. The Council further finds, determines and declares that the reasons and facts supporting the findings in this resolution are described in the Plans.

2.9. The Council elects the method of computation provided in Minnesota Statutes, Section 469.177, Subdivision 3, Paragraph (a). The Council acknowledges that, by making this election, the entire fiscal disparity contribution required of the City for development occurring within this district will be taken from outside the TIF District.

2.10. The Council hereby finds, determines and declares that it is necessary and in the best interests of the City at this time to approve the Plans.

### Section 3. Approval of the Plans

3.1. Based upon the findings set forth in Section 2 hereof, the Plans presented to the Council on this date are hereby approved and shall be placed on file in the office of the City Clerk.

### Section 4. Implementation of the Plans

4.1. After passage and publication of this Resolution, the officers and staff of the City and the City's consultants and counsel are authorized and directed to proceed with the implementation of the Plans, and for this purpose to negotiate, draft, prepare and present to this Council for its consideration, as appropriate, all further modifications, plans, resolutions, documents and contracts necessary for this purpose.

4.2. As provided under Minnesota Statutes, Section 469.178, Subdivision 7, this Council hereby authorizes the advance of revenues from other available development revenues of the City in the principal amount needed to offset any negative fund balances incurred with respect to this TIF District as a result of expenditures incurred prior to or in

excess of the collection of tax increment revenue. The interest rate paid on such advances shall be equal to the rate of interest those revenues would have generated in their fund. In no event will the rate of interest charged on the advance exceed the statutory maximum set forth at Minnesota Statutes, Section 469.178, Subdivision 7. The term of this advance shall end upon the termination of the TIF District, although as revenues are available in the fund for the TIF District, the advance shall be offset by such amounts.

## EXHIBIT 4

**Authorizing the issuance of a tax increment limited revenue note in substantially the form recited herein in a principal amount not exceeding \$4,955,600 in connection with the Five15 on the Park Project (fka Currie Park Lofts).**

Whereas, the City of Minneapolis (the "City"), acting pursuant to Laws of Minnesota 2003, Chapter 127, Article 12, Sections 31-34, and Minneapolis Code of Ordinances, Chapter 415, has certain powers, including without limitation the powers set forth in Minnesota Statutes, Sections 469.001 through 469.047, as amended (the "HRA Act") and Minnesota Statutes, Sections 469.174 through 469.1799, as amended (the "TIF Act"); and

Whereas, in furtherance of the objectives of the HRA Act, the City has undertaken programs for the clearance and reconstruction or rehabilitation of blighted, deteriorated, deteriorating, vacant, unused, underused or inappropriately used, areas of the City, and the development of housing for persons of low and moderate incomes, and in this connection the City intends to carry out a redevelopment project known as the Currie Park Lofts Redevelopment Project (the "Project") pursuant to the Currie Park Lofts Redevelopment Plan to be adopted contemporaneously with this resolution on December 6, 2013 (the "Redevelopment Plan"); and

Whereas, in furtherance of the Redevelopment Plan, the City also intends to approve a housing tax increment financing district pursuant to the Currie Park Tax Increment Financing Plan to be adopted contemporaneously with this resolution on December 6, 2013 (the "TIF Plan"); and

Whereas, pursuant to the TIF Act, and specifically Minnesota Statutes, Section 469.178, subd. 4, the City is authorized to issue its tax increment limited revenue note(s) to finance the public redevelopment costs of the Project; and

Whereas, the City has entered or will enter into a redevelopment contract (the "Redevelopment Contract") with Five15 Limited Partnership, a Minnesota limited partnership which has an affiliate of Fine Associates, LLC. as the general partner (the "Developer"), pursuant to which the Developer will develop a 259-unit multifamily rental housing project with structured parking, commercial space, common areas and related improvements in the Project area and the City will provide tax increment financing assistance consistent with the TIF Plan;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

1. That it is desirable that the City issue a tax increment limited revenue note (the "Note") in substantially the following form:

[Form of Note]

**UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF HENNEPIN  
CITY OF MINNEAPOLIS**

**TAX INCREMENT LIMITED REVENUE NOTE  
(Five15 on the Park Project)**

The City of Minneapolis (the "City"), hereby acknowledges itself to be obligated and, for value received, promises to pay to the order of Five15 Limited Partnership, a Minnesota limited partnership, (or its permitted successors or assigns under the Contract, the "Developer"), solely from the source, to the extent, and in the manner hereinafter provided, the principal amount of this Note, being Four Million Nine Hundred Fifty-Five Thousand Six Hundred and No/100 Dollars (\$4,955,600.00) or such lesser amount as may equal the certified Public Redevelopment Costs, with interest at the Note Rate, in the installments specified in this Note, on the Payment Dates.

Capitalized terms not defined elsewhere in this Note will have the meanings below:

**"Available Tax Increment"** means the Tax Increment received by the City during the period preceding each Payment Date, less (i) the amount of Tax Increment, if any, which the City must pay to the school district, the county and the state pursuant to *Minnesota Statutes*, Sections 469.177, Subds. 9, 10, and 11; 469.176, Subd. 4h; and 469.175, Subd. 1a, as the same may be amended from time to time; and (ii) actual administrative costs of the City in an amount not to exceed 10% of the Tax Increment.

**"Certificate of Completion"** means a certificate issued by the City to the Developer pursuant to Section 5.04 of the Contract upon substantial completion of the Minimum Improvements.

**"Contract"** means that certain Redevelopment Contract by and between the City and the Developer dated [insert date].

**"District"** means the Currie Park (Housing) Tax Increment Financing District within the Redevelopment Project.

**"Maturity Date"** means the earlier of (i) February 1 of the year following the final year of Tax Increment collection from the District; and (ii) the date when the principal and interest amount of this Note has been paid in full.

**"Minimum Improvements"** means new construction of an approximately 259-unit multifamily rental housing project with structured parking, commercial space, common areas and related improvements as described in the Contract.

**"Note Rate"** means an interest rate equal to the bond rate, up to 5.5% per annum, compounded semi-annually.

**"Payment Date"** means August 1 of the year of first increment collection from the District and each August 1 and February 1 thereafter until the Maturity Date; provided, however, that in no event shall any payments commence before the City's issuance of the Public Redevelopment Costs Certification and the Certificate of Completion.

**"Property"** means the real property legally described in the attached **Exhibit A**, upon which the Minimum Improvements will be constructed.

**"Public Redevelopment Costs"** means actual Public Redevelopment Costs as defined in the Contract, not in excess of \$4,955,600 related to the Minimum Improvements and which are approved by the City pursuant to the Contract.

**"Public Redevelopment Costs Certification"** means a certificate in substantially the form attached to the Contract, by which the City certifies the Public Redevelopment Costs pursuant to the terms of the Contract.

**"Redevelopment Project"** means the Currie Park Redevelopment Project, which includes the Property.

**"Tax Increment"** means that portion of the property taxes generated by the Property and Minimum Improvements that is actually remitted to the City as tax increment under the Tax Increment Act.

**"Tax Increment Act"** means *Minnesota Statutes*, Section 469.174-469.1799, as amended, or any successor statutes applicable to the District.

On each Payment Date, the City shall pay the Developer an installment equal to the lesser of (i) the Available Tax Increment or (ii) the amount necessary to pay the accrued unpaid interest and the unpaid principal amount of this Note in full. If an Event of Default by the Developer has occurred under the Contract, then the City may suspend payment on this Note until a) the Event of Default is cured or b) prior to the issuance of the Certificate of Completion, the Contract and the City's obligations under this Note are terminated. If the City suspends payments due under this TIF Note, the City shall make the suspended payments to the Developer within ten (10) business days after the

Developer has cured the Event of Default. The City is not obligated to pay interest on the amount of the suspended payments between the date the payment is suspended and the last date on which the City is obligated to make the suspended payment to the Developer. To the extent that on any Payment Date there is insufficient Available Tax Increment to make a scheduled payment, such failure to make a scheduled payment shall not constitute a default under this Note. If the Developer (or other Minimum Improvements' owner) fails to pay all or a portion of the property taxes due and owing on the Minimum Improvements, then upon such failure to pay, no interest as required by the Note shall accrue on an amount equal to the amount of the Available Tax Increment that would have been paid to the City had such property tax amounts been paid.

Interest shall accrue on the initial principal amount of this Note from the date of issue of the Public Redevelopment Costs Certification. Each payment under this Note, whether a scheduled payment or any other payment, shall be applied first to current interest, then to accrued unpaid interest and then to the unpaid principal amount of this Note.

On the Maturity Date, this Note shall be deemed paid in full and the City shall have no further obligation under this Note even if the aggregate of the Available Tax Increment that has actually been paid to the Developer on the Payment Dates is less than the full principal and interest amount of this Note. The obligation of the City to make any scheduled payment shall terminate if and to the extent that the full principal and interest amount of this Note has been paid in full. This Note may be prepaid in full or in part at any time without penalty.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by wire transfer pursuant to written instructions provided by the Developer or by check or draft made payable to the Developer and mailed to the Developer at 80 South 8<sup>th</sup> Street, Suite 1916, Minneapolis, MN 55402, or such other address as the Developer shall provide in writing to the City's notice address as set forth in the Contract.

The Note is a special and limited obligation and not a general obligation of the City, which has been issued by the City pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including *Minnesota Statutes*, Section 469.178, subdivision 4, to aid in financing a "project", as therein defined, of the City consisting generally of defraying certain public redevelopment costs incurred by the Developer within and for the benefit of the Project.

**THE NOTE IS NOT A DEBT OF THE STATE OF MINNESOTA (THE "STATE"), OR ANY POLITICAL SUBDIVISION OF THE STATE, INCLUDING THE CITY OF MINNEAPOLIS, MINNESOTA, EXCEPT THAT THE CITY SHALL BE OBLIGATED TO MAKE PAYMENTS FROM AVAILABLE TAX INCREMENT AS SET FORTH HEREIN, AND NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION OF THE STATE, INCLUDING THE CITY,**

**SHALL BE LIABLE ON THE NOTE, EXCEPT FOR THE CITY'S OBLIGATION TO MAKE PAYMENTS FROM AVAILABLE TAX INCREMENT AS SET FORTH HEREIN, NOR SHALL THE NOTE BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN AVAILABLE TAX INCREMENT AS SET FORTH HEREIN.**

This Note may not be transferred to any person, unless the City has been provided with an opinion of counsel acceptable to the City that such transfer is exempt from registration and official statement delivery requirements of federal and applicable state securities law and an investment letter reasonably acceptable to the City.

This Note will not be payable from or constitute a charge upon any funds of the City, and the City shall not be subject to any liability hereon or be deemed to have obligated itself to pay hereon from any funds except the Available Tax Increment, and then only to the extent and in the manner herein specified.

The Developer will never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any person executing or registering this Note will be liable personally hereon by reason of the issuance of registration thereof or otherwise.

**IT IS HEREBY CERTIFIED AND RECITED** that all acts, conditions and things required by the Constitution and the laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; that this Note is issued pursuant to the Tax Increment Act; and that this Note together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

**IN WITNESS WHEREOF**, the City of Minneapolis, by action of its Mayor and City Council, has caused this Note to be executed by the manual signature of its Finance Officer, and has caused this Note to be dated \_\_\_\_\_, 2013.

**CITY OF MINNEAPOLIS**

By \_\_\_\_\_  
Kevin Carpenter  
Its Finance Officer

Approved as to form:

\_\_\_\_\_  
Assistant City Attorney

Developer's Federal Tax ID No. 46-0731226

**EXHIBIT A TO NOTE**  
**Legal Description of the Property**

Lot 1, Block 1, Five Fifteen Addition

2. Be It Further Resolved that the form of the Note is hereby approved and shall be executed by the Finance Officer in substantially the form on file, with such changes therein not inconsistent with law as the Finance Officer may approve, which approval shall be conclusively evidenced by the execution thereof.

3. Be It Further Resolved that all actions of the members, employees and staff of the City heretofore taken in furtherance of the issuance of the Note are hereby approved, ratified and confirmed.

4. Be It Further Resolved that the sale of said Note to the Developer is hereby approved, and the Note is hereby directed to be sold to the Developer, upon the terms and conditions set forth in the Redevelopment Contract.

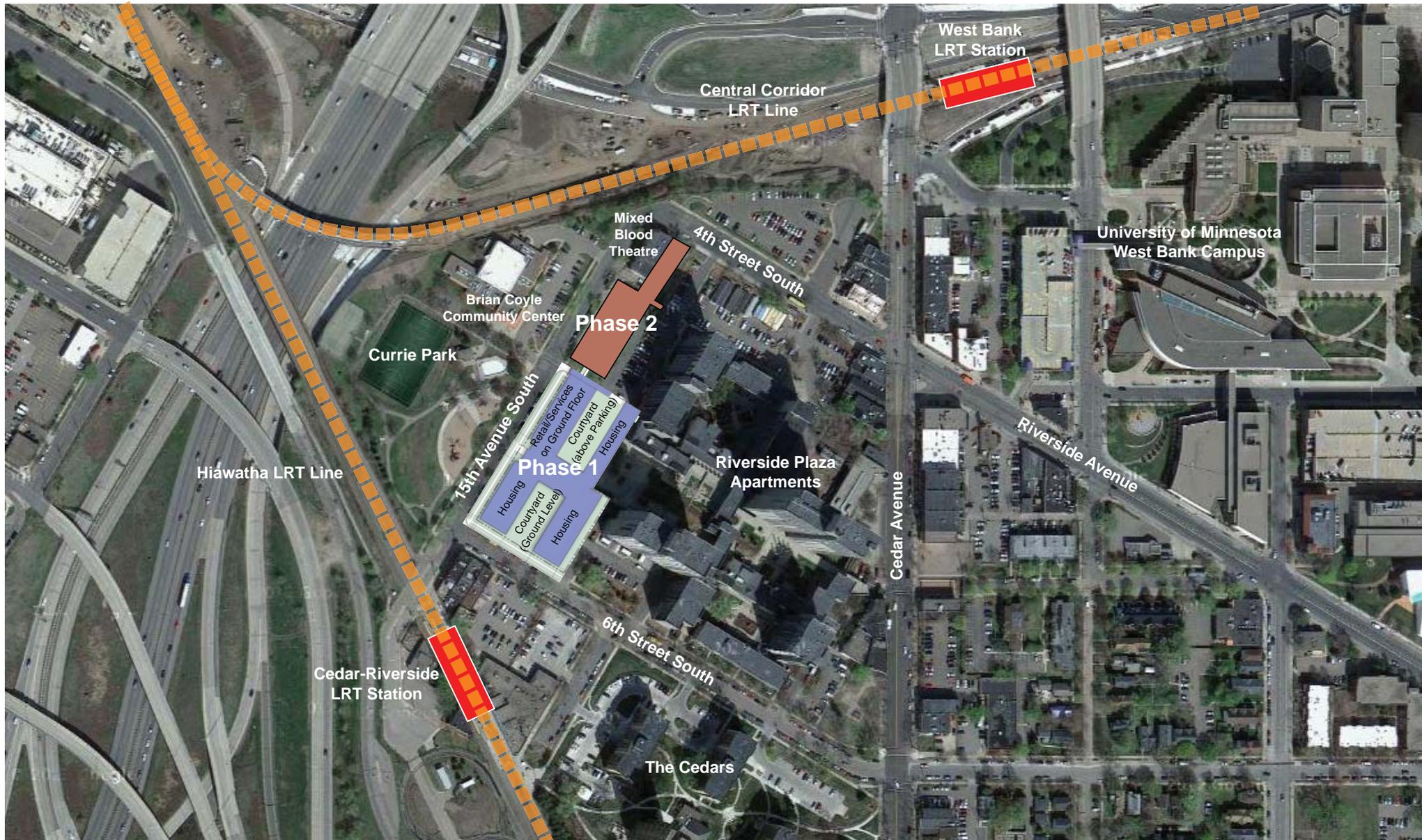
5. Be It Further Resolved that the Finance Officer is hereby authorized and directed to execute such other documents, agreements and certificates as may be required in connection with the Note.

6. Be It Further Resolved that no provision, covenant or agreement contained in the aforementioned documents, the Note or in any other document related to the Note, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the tax increment revenues which are to be applied to the payment of the Note, as provided therein and in the Redevelopment Contract. The Note shall not constitute a charge, lien or encumbrance, legal or equitable upon any property or funds of the City except that revenue and proceeds pledged to the payment thereof, nor shall the City be subject to any liability thereon. The holders of the Note shall never have the right to compel any exercise of the taxing power of the City to pay the outstanding principal on the Note or the interest thereon, or to enforce payment hereon against any property of the City. The Note shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation.

7. Be It Further Resolved that the Note, when executed and delivered, shall contain a recital that it is issued pursuant to the TIF Act, and such recital shall be conclusive evidence of the validity of the Note and the regularity of the issuance thereof, and that all acts, conditions and things required by the laws of

the State of Minnesota relating to the adoption of this resolution, to the issuance of the Note and to the execution of the aforementioned documents to happen, exist and be performed precedent to and in the enactment of this resolution, and precedent to issuance of the Note and precedent to the execution of the aforementioned documents have happened, exist and have been performed as so required by law.

8. Be It Further Resolved that this resolution shall be in full force and effect from and after its date of publication.





RESOLUTION 2013R-\_\_\_

**AUTHORIZING THE ISSUANCE, SALE, AND DELIVERY OF HOUSING REVENUE OBLIGATIONS TO FINANCE THE FIVE15 ON THE PARK PROJECT; APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF THE REVENUE OBLIGATIONS AND RELATED DOCUMENTS; PROVIDING FOR THE SECURITY, RIGHTS, AND REMEDIES WITH RESPECT TO THE REVENUE OBLIGATIONS; AND GRANTING APPROVAL FOR CERTAIN OTHER ACTIONS WITH RESPECT THERETO**

RESOLVED BY THE CITY COUNCIL OF THE CITY OF MINNEAPOLIS:

1. **STATUTORY AUTHORIZATION.** The City of Minneapolis, Minnesota (the “City”), is a home rule city and political subdivision duly organized and existing under its Charter and the Constitution and laws of the State of Minnesota, and is authorized by Minnesota Statutes, Chapter 462C, as amended (the “Housing Act”), to carry out the public purposes described in the Housing Act by issuing revenue bonds or other revenue obligations to finance multifamily housing developments located within the City. In the issuance of the City’s revenue bonds and other revenue obligations and in the making of loans to finance multifamily housing developments, the City may exercise, within its corporate limits, any of the powers that the Minnesota Housing Finance Agency may exercise under Minnesota Statutes, Chapter 462A, as amended, without limitation under the provisions of Minnesota Statutes, Chapter 475, as amended.

2. **INITIAL PROPOSAL.** On January 27, 2012, the Community Development Committee of the City Council of the City conducted a public hearing on a proposal to grant preliminary approval to the issuance of conduit revenue obligations in a principal amount of approximately \$27,000,000 to finance a multifamily housing development to be comprised of an approximately 270-unit multifamily rental housing development and facilities functionally related and subordinate thereto to be located at 15<sup>th</sup> Avenue South, between 4<sup>th</sup> and 6<sup>th</sup> Streets South in the City. The multifamily housing development was proposed to be owned by Currie Park Developments, Limited Partnership, a Minnesota limited partnership and an affiliate of Fine Associates, LLC, a Minnesota limited liability company. The public hearing was preceded by the publication of a notice of public hearing in the official newspaper of the City and in a newspaper of general circulation in the City at least fifteen (15) days prior to the date of the public hearing. On or before the date of publication of the public hearing, a housing program prepared in accordance with the requirements of the Housing Act was submitted to the Metropolitan Council for its review and comments. On January 27, 2012, the City Council considered and unanimously adopted Resolution 2012R-019 (the “Preliminary Resolution”) granting preliminary approval to the issuance of conduit revenue bonds to finance the proposed multifamily housing development.

3. **AMENDMENTS TO FINANCING PLAN.** Between the date of approval of the Preliminary Resolution and the date hereof, certain alterations have been made to the financing plan for the multifamily housing development approved by the terms of the Preliminary Resolution. The multifamily housing development is now proposed to consist of the acquisition and construction of an approximately 259-unit multifamily rental housing development and facilities functionally related and subordinate thereto, to be located at 15<sup>th</sup> Avenue South, at the northeast corner of 15<sup>th</sup> Avenue South and 6<sup>th</sup> Street South in the City (the “Project”). The Project will also include approximately 4,996 square feet of commercial space, approximately 243 parking stalls for cars, and approximately 280 parking spaces for

bicycles. The owner and operator of the Project is now proposed to be another affiliate of Fine Associates, LLC designated as Five15 Limited Partnership, a Minnesota limited partnership, or an affiliate, other related party, or an assign of such limited partnership (the "Borrower"). The principal amount of conduit revenue obligations proposed to be issued by the City to assist in the financing of the Project is now expected to be an amount not to exceed \$30,800,000. As a result of such alterations to the financing plan for the Project and due to the lapse of approximately ten (10) months since the adoption of the Preliminary Resolution, the City and the Borrower have determined to conduct another public hearing with respect to the Project.

4. THE HOUSING PROGRAM. A Program for a Multifamily Housing Development (Five15 on the Park Formerly Known as Currie Park Lofts) (the "Housing Program") with respect to the Project was prepared in accordance with the requirements of Section 462C.03, subdivision 1a, of the Housing Act, and is on file with the City. The Housing Program was submitted to the Metropolitan Council for its review and comments in accordance with the requirements of the Housing Act.

5. PUBLIC HEARING. The Community Development Committee of the Minneapolis City Council, on behalf of the City, held a public hearing on November 19, 2013, with respect to the Housing Program and the proposed issuance of revenue obligations to finance the Project. The public hearing was conducted at least fifteen (15) days after the publication in the official newspaper of the City (*Finance and Commerce*) and in a newspaper of general circulation in the City (*Star Tribune*) of a notice of such public hearing. The notice of public hearing included the information required by the terms of Section 462C.04, subdivision 2, of the Housing Act, and included the information required by the terms of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code").

6. THE REVENUE OBLIGATIONS. The Borrower has requested that the City issue its revenue obligations (the "Bonds") in a principal amount not to exceed \$30,800,000 to finance the Project. The Bonds are proposed to be designated "Housing Revenue Bonds (Five15 on the Park Project), Series 2013" or such other name as the Finance Officer, in consultation with the Borrower and the initial purchaser of the Bonds, shall determine. The Bonds shall be issued under the terms of a Trust Indenture, dated on or after December 1, 2013 (the "Indenture"), between the City and a trustee to be selected by the Borrower (the "Trustee"). The proceeds derived from the sale of the Bonds are to be applied to make a loan to the Borrower (the "Loan") under the terms of a Loan Agreement, dated on or after December 1, 2013 (the "Loan Agreement"), between the City and the Borrower. The Borrower proposes to apply the proceeds of the Loan to the payment of a portion of the costs of the acquisition, construction, and equipping of the Project and related costs, and to any of the following: (i) payment of a portion of the interest on the Bonds; (ii) funding of one or more reserves to secure the timely payment of the debt service on the Bonds; and (iii) payment of a portion of the costs of issuing the Bonds.

7. OBLIGATIONS OF THE CITY. The City acknowledges, finds, determines, and declares that the issuance of the Bonds is authorized by the Housing Act and is consistent with the purposes of the Housing Act and that the issuance of the Bonds, and the other actions of the City under the Indenture, the Loan Agreement, and this resolution constitute a public purpose and are in the interests of the City. In authorizing the issuance of the Bonds for the financing of the Project and related costs, the City's purpose is and the effect thereof will be to promote the public welfare of the City and its residents by providing multifamily housing developments for low or moderate income residents of the City and otherwise furthering the purposes and policies of the Housing Act. The Bonds will be issued under the terms of the Indenture and this resolution and the Bonds and the interest on the Bonds: (i) shall be payable solely from the revenues pledged therefor under the Loan Agreement; (ii) shall not constitute a debt of the City within the meaning of any constitutional or statutory limitation; (iii) shall not constitute nor give rise to a pecuniary liability of the City or a charge against its general credit or taxing powers; (iv) shall not constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City

other than the City's interest in the Loan Agreement; and (v) shall not constitute a general or moral obligation of the City.

8. **ISSUANCE OF THE BONDS.** For the purposes set forth above, there is hereby authorized the issuance, sale, and delivery of the Bonds in the maximum aggregate principal amount not to exceed \$30,800,000. The City hereby authorizes the Bonds to be issued as "tax-exempt bonds," the interest on which is not includable in gross income for federal and State of Minnesota income tax purposes. The City shall allocate to the Bonds a portion of the annual volume cap within the control of the City under the terms and conditions of Minnesota Statutes, Chapter 474A, as amended, and Section 146 of the Code. The Bonds, substantially in the forms set forth in the Indenture now on file with the City, are hereby approved with the amendments referenced herein. All of the provisions of the Bonds, when executed as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Bonds shall bear interest at the rates, shall be designated, shall be numbered, shall be dated, shall mature, shall be issued in the aggregate principal amount, shall be subject to redemption prior to maturity, shall be in such form, and shall have such other terms, details, and provisions as are prescribed in the Indenture, in the form now on file with the City. The form of the Bonds is hereby approved, with such necessary and appropriate variations, omissions, and insertions (including changes to the aggregate principal amount of the Bonds, the stated maturities of the Bonds, the interest rates on the Bonds, and the terms of redemption of the Bonds) as the Finance Officer, in his discretion, shall determine. The execution of the Bonds with the manual or facsimile signature of the Finance Officer and the delivery of the Bonds by the City shall be conclusive evidence of such determination.

The Bonds shall be special limited obligations of the City payable solely from the revenues provided by the Borrower under the terms of the Loan Agreement and from the revenues and security pledged, assigned, and granted in accordance with the terms of the Indenture and any other security documents provided by the Borrower to the Trustee. As provided in the Loan Agreement, the Bonds shall not be payable from nor charged upon any funds other than the revenue pledged to their payment, nor shall the City be subject to any liability thereon, except as otherwise provided in this paragraph. No holder of the Bonds shall ever have the right to compel any exercise by the City of any taxing powers of the City to pay the Bonds or the interest or premium thereon, or to enforce payment thereof against any property of the City except the interests of the City in the Loan Agreement and the revenues and assets thereunder, which will be assigned to the Trustee under the terms of the Indenture. The Bonds shall recite that the Bonds are issued under the provisions of the Housing Act, and that the Bonds, including interest and premium, if any, thereon, are payable solely from the revenues and assets pledged to the payment thereof, and the Bonds shall not constitute a debt of the City within the meaning of any constitutional or statutory limitations.

9. **THE INDENTURE.** The Indenture is hereby approved and the Finance Officer is hereby authorized to execute and deliver the Indenture on behalf of the City. All of the provisions of the Indenture, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Indenture shall be substantially in the form now on file with the City with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determination.

10. **THE LOAN AGREEMENT.** The Loan Agreement is hereby approved and the Finance Officer is hereby authorized and directed to execute and deliver the Loan Agreement on behalf of the

City. The loan repayments to be made by the Borrower under the Loan Agreement are to be fixed so as to produce revenues sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. All of the provisions of the Loan Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof. The Loan Agreement shall be substantially in the form on file with the City with such necessary and appropriate variations, omissions, and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution and delivery thereof by the Finance Officer shall be conclusive evidence of such determination.

11. SECURITY. The City hereby approves the execution by the Borrower and delivery to the Trustee of: (i) any mortgage or security agreements granting a mortgage lien or security interest with respect to the Project or any portion thereof to the Trustee; (ii) one or more collateral assignments of the contracts between the Borrower and the architect and contractor with respect to the Project; (iii) one or more indemnity agreements; and (iv) other security documents that are intended to ensure timely payment of the Loan and the Bonds. The City hereby approves the execution and delivery by one or more guarantors of one or more guaranty agreements under the terms of which the obligations of the Borrower under the Loan Agreement are guaranteed by such guarantors. The City hereby approves a disbursing agreement, between the Borrower, the Trustee, and a disbursing agent to be selected by the Borrower, to provide for the disbursement of the proceeds of the Bonds and the Loan. All such security documents, if any are delivered, shall be substantially in the forms authorized by the Borrower.

12. THE REGULATORY AGREEMENT. To ensure continuing compliance with certain rental and occupancy restrictions imposed by the Housing Act and Section 142(d) of the Code, and to ensure continuing compliance with certain restrictions imposed by the City, the Finance Officer is hereby authorized and directed to execute and deliver a Regulatory Agreement, dated on or after December 1, 2013 (the "Regulatory Agreement"), between the City, the Borrower, and the Trustee. The Regulatory Agreement shall be substantially in the form on file with the City which is hereby approved, with such omissions and insertions as do not materially change the substance thereof, or as the Finance Officer, in his discretion, shall determine, and the execution thereof by the Finance Officer shall be conclusive evidence of such determinations. All of the provisions of the Regulatory Agreement, when executed and delivered as authorized herein, shall be deemed to be a part of this resolution as fully and to the same extent as if incorporated verbatim herein and shall be in full force and effect from the date of execution and delivery thereof.

13. OTHER CITY DOCUMENTS. The Finance Officer is hereby authorized to execute and deliver, on behalf of the City, such other documents and certificates as are necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds, including a Purchase Agreement, dated on or after December 1, 2013 (the "Purchase Agreement"), between the City, the Borrower, and the initial purchaser of the Bonds, one or more consents to the assignment of a development agreement, tax increment revenues, and other funds made available to the Borrower and the Project by the City, various certificates of the City, an Information Return for Tax-Exempt Private Activity Bond Issues, Form 8038, with respect to the Bonds, a certificate as to arbitrage and rebate, and similar documents, appropriate amendments to the Housing Program, and all other documents and certificates as the Finance Officer shall deem to be necessary or appropriate in connection with the issuance, sale, and delivery of the Bonds. The City hereby authorizes Kennedy & Graven, Chartered, as bond counsel to the City ("Bond Counsel"), to prepare, execute, and deliver its approving legal opinions with respect to the Bonds.

14. DISCLOSURE DOCUMENTS. The City will not participate in the preparation of an official statement or other disclosure document, if any is prepared, relating to the offer and sale of the Bonds (the "Disclosure Document"), and will make no independent investigation with respect to the

information contained in the Disclosure Document, including the appendices thereto, and the City assumes no responsibility for the sufficiency, accuracy, or completeness of such information. The City will not participate in the preparation of a continuing disclosure agreement or other continuing disclosure document, if any is prepared, relating to the Bonds, the Project, and the Borrower (the "Continuing Disclosure Document"). The City assumes no responsibility for compliance by the Borrower with its continuing disclosure responsibilities under the Continuing Disclosure Document.

15. **SUBSEQUENT AMENDMENTS.** On any date subsequent to the date of issuance of the Bonds, the Finance Officer is hereby authorized to execute and deliver any amendments or supplements to any of the documents referred to in this resolution on behalf of the City if, after review by the City Attorney and Bond Counsel, the Finance Officer determines that the execution and delivery of such amendment or supplement is in the interests of the City. The Finance Officer may impose any terms or conditions on the execution and delivery of any such amendment or supplement as the Finance Officer deems appropriate.

16. **LIMITATIONS OF LIABILITY.** No covenant, stipulation, obligation, or agreement herein contained or contained in the aforementioned documents shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the City Council of the City, or any officer, agent, or employee of the City in that person's individual capacity, and neither the City Council of the City nor any officer or employee executing the Bonds shall be personally liable on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. No provision, covenant, or agreement contained in the aforementioned documents, the Bonds, or in any other document relating to the Bonds, and no obligation therein or herein imposed upon the City or the breach thereof, shall constitute or give rise to a general or moral obligation of the City or any pecuniary liability of the City or any charge upon its general credit or taxing powers. In making the agreements, provisions, covenants, and representations set forth in such documents, the City has not obligated itself to pay or remit any funds or revenues, other than funds and revenues derived from the Loan Agreement, which are to be applied to the payment of the Bonds, as provided therein.

Except as herein otherwise expressly provided, nothing in this resolution or in the aforementioned documents expressed or implied, is intended or shall be construed to confer upon any person or firm or corporation, other than the City, and any holders of the Bonds issued under the provisions of this resolution, any right, remedy, or claim, legal or equitable, under and by reason of this resolution or any provisions hereof, this resolution, the aforementioned documents, and all of their provisions being intended to be and being for the sole and exclusive benefit of the City, the Borrower, the Trustee, and registered and beneficial owners from time to time of the Bonds issued under the provisions of this resolution.

17. **SEVERABILITY.** In case any one or more of the provisions of this resolution, other than the provisions limiting the liability of the City, or of the aforementioned documents, or of the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution, or of the aforementioned documents, or of the Bonds, but this resolution, the aforementioned documents, and the Bonds shall be construed and endorsed as if such illegal or invalid provisions had not been contained herein or therein.

18. **VALIDITY OF THE BONDS.** The Bonds, when executed and delivered, shall contain a recital that they are issued under the provisions of the Housing Act, and such recital shall be conclusive evidence of the validity of the Bonds and the regularity of the issuance thereof, and that all acts, conditions, and things required by the laws of the State of Minnesota relating to the adoption of this resolution, to the issuance of the Bonds, and to the execution of the aforementioned documents to happen,

exist, and be performed precedent to the execution of the aforementioned documents have happened, exist, and have been performed as so required by law.

19. **ADDITIONAL ACTIONS.** The officers of the City, the City Attorney, Bond Counsel, other attorneys, and other agents or employees of the City are hereby authorized to do all acts and things required of them by or in connection with this resolution, the aforementioned documents, and the Bonds, for the full, punctual, and complete performance of all the terms, covenants, and agreements contained in the Bonds, the aforementioned documents, and this resolution.

20. **DESIGNATION AS PROGRAM BONDS.** The Bonds are hereby designated “Program Bonds” and are determined to be within the “Economic Development Program” and the “Program,” all as defined in Resolution 88R-021 of the City adopted January 29, 1988, and as amended by Resolution 1997R-402 of the City adopted December 12, 1997.

21. **FEES AND INDEMNIFICATION.** The Borrower has agreed to pay the administrative fees of the City in accordance with the policy and procedures of the City. It is hereby determined that any and all costs incurred by the City in connection with the financing of the Project will be paid by the Borrower. It is understood and agreed by the Borrower that the Borrower shall indemnify the City against all liabilities, losses, damages, costs, and expenses (including attorney’s fees and expenses incurred by the City) arising with respect to the Project or the Bonds, as provided for and agreed to by and between the Borrower and the City in the Loan Agreement.

22. **EFFECTIVE DATE.** This resolution shall take effect and be in force from and after its approval and publication. Under the terms of Chapter 4, Section 9, of the Charter of the City, only the title of this resolution and a summary of this resolution conforming to Minnesota Statutes, Section 331A.01, subdivision 10, shall be published in the official paper of the City.

## EXHIBIT 7

Matt Goldstein, Multifamily Housing Finance Specialist, Residential Finance, Department of Community Planning and Economic Development, (612) 673-5075.

RE: CPED Solicited Public Comments

Dear Matt,

We, the Darul Quba Elders, represent the largest East African organization within the Cedar Riverside neighborhood. Our Cultural Center occupies the buildings at 1501-07 6<sup>th</sup> St S.

We are writing to support the Five15 on the Park Redevelopment and Tax Increment Financing Plans for Currie Park Developments, LLC. Now is the time to finally begin the redevelopment that everyone hoped for when the Hiawatha Line was completed. Five15 on the Park will attract new workers and their families, which will help nearby businesses. It will change the unsightly and uninviting look of 15<sup>th</sup> Avenue for everyone arriving in the neighborhood on the LRT line.

Fine Associates has been working on their plans in our neighborhood for several years. As a result, they have incorporated many community-sensitive features in the project that will fit well into our community. It will be more than a *guri* (home), it will be a *tulo* (village), because Five15 on the Park will have large, pleasant outdoor gathering and play areas; many units will have two and three bathrooms to serve the large families common to most immigrant households.

This project builds on the tremendous public investment and effort which brought two light rail lines and their stations to the West Bank. When we at Darul Quba stood up at community meetings in those early years before the Hiawatha Line was approved. We spoke strongly for the positive changes light rail would bring to our community. We now see those positive changes; Five15 on the Park will be one of those positive changes.

Darul Quba, its Elders and Community, respectfully request that the City Council of the City of Minneapolis, approve the Five15 on the Park Redevelopment and Tax Increment Financing Plans. Furthermore, the Elders wish to express their appreciation to the City Council for their consideration of, and support for, the Five15 on the Park project. We look forward to the continued good relationship we have with Fine Associates as it begins this important project on the doorstep of our community.

Sincerely,

President of Darul Quba Cultural Center

Nur Farah Samatar