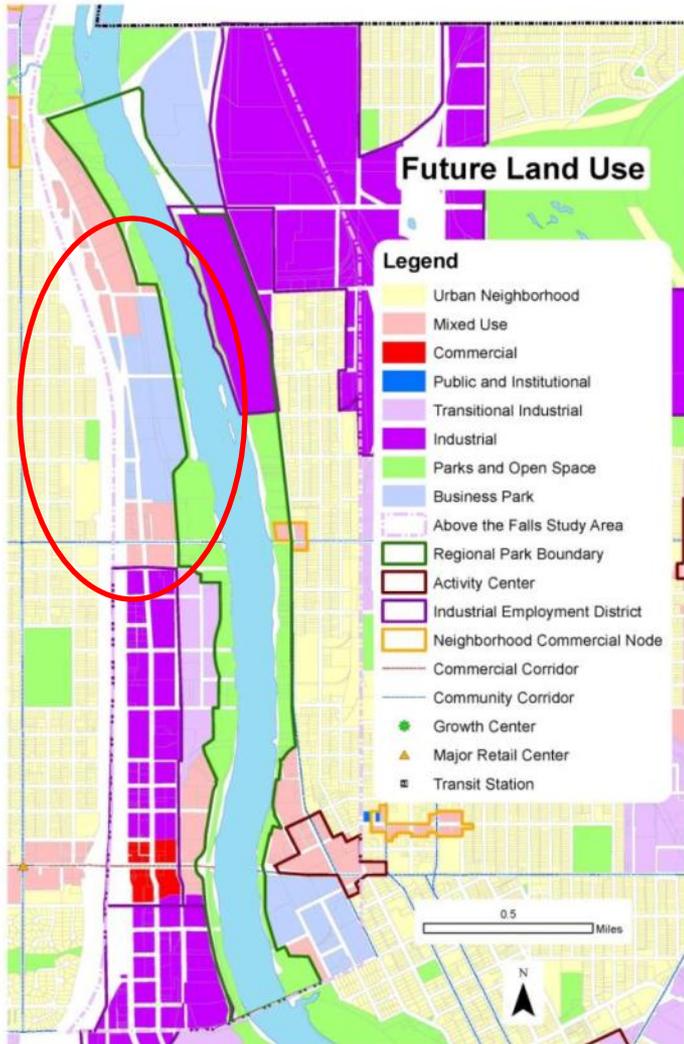


The Upper Harbor Terminal: *Site Context*





Above the Falls Master Plan: *Land Use*



- ***New vision for (not your typical) industrial*** area along Upper Mississippi Riverfront north of Downtown
- Plan (left) adopted by City Council in June 2013
- Envisions closure and redevelopment of Upper Harbor Terminal
- Extends Minneapolis' ***Grand Rounds parks and trails*** along riverbanks
- Guides Upper Harbor Terminal for a ***"business park"*** mix of compatible uses with riverfront amenities
- Speaks to ***design, compatibility, equity, and connections*** to community

Investments Needed to Secure Benefits

Redevelopment offers great **benefits** to City:

- Major **new park amenity** to serve north Minneapolis
- **Land proceeds**
- **Private development investment**
- Space for thousands of **jobs**

Redevelopment of UHT site will require **additional public investments** to attract developers and businesses, e.g.:

- Site preparation and clearance
- Construction of new streets and utilities
- Relocation of overhead electrical transmission line
- Construction of parkway, trails and amenities

City investment estimated at \$10 \pm million.

Grants will be sought, and land proceeds will be a possible source, but tax increment financing could be an important tool.

Tax Increment Challenges



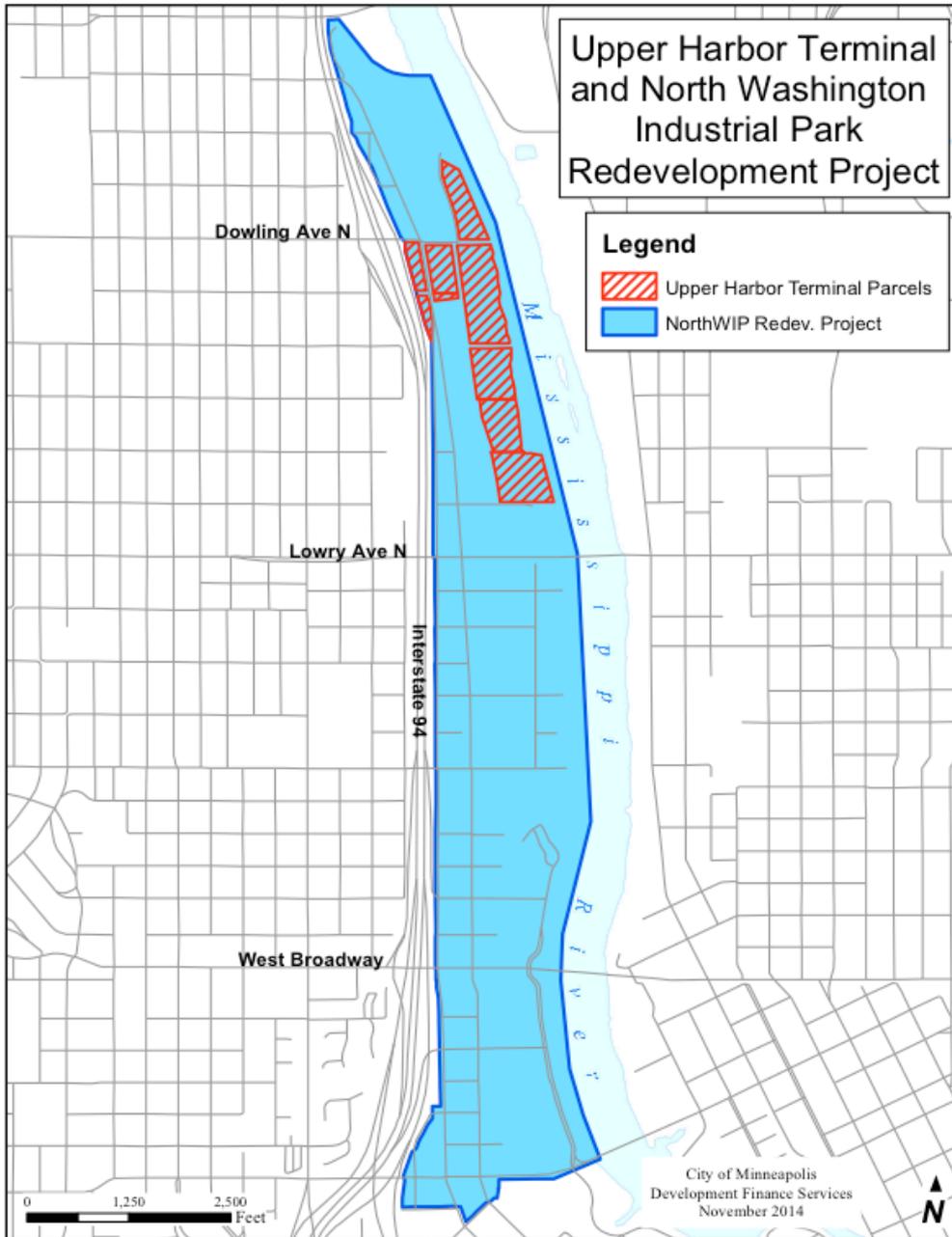
- Unique site is blighted, but technically challenging to qualify as a TI district
 - Redevelopment will be multiple phases over several years, so may need to remove qualifying buildings well before redevelopment can start, plus may need longer time to complete investments
-
- Some needed public improvements extend beyond one development and will be hard to complete in pieces, so sharing among multiple districts is needed

Proposed Special Legislation

Special legislation could enhance tax increment financing's efficiency and effectiveness as a tool:

- Qualify entire site as a redevelopment tax increment district
- No requirement to use 90% of TI to correct qualifying conditions
- Keep base value at \$0 (where it has been for decades)
- Extend period in which TI revenues must be spent from five years to ten years
- Allow tax increment generated anywhere in project area to be shared within the project area, so larger TI-eligible public improvement projects can be funded

Note: Approval of special legislation would not commit City to use tax increment financing.



Legislation will only apply to portion of North Washington Industrial Park Redevelopment Project NORTH of Lowry
