City of Minneapolis

Modification No. 100
to the
Common Development and Redevelopment Plan and Common Tax Increment Finance Plan

(Modification No. 19 to the Industry Square Redevelopment Plan)

July 9, 2004

Prepared by the Development Finance Division,
City of Minneapolis Finance Department
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MODIFICATION NO. 100 TO THE
COMMON DEVELOPMENT AND REDEVELOPMENT PLAN
AND
COMMON TAX INCREMENT FINANCING PLAN
(Modification No. 19 to the Industry Square Redevelopment Plan)
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AND COMMON TAX INCREMENT FINANCING PLAN

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Introduction

Plan documents have been prepared that are related to a proposed public parking ramp and housing redevelopment project, including the Park Avenue East Tax Increment Finance (TIF) Plan, Modification No. 19 to the Industry Square Redevelopment Plan, and Modification No. 100 to the Common Development and Redevelopment and Common Tax Increment Finance Plan (the "Common Project") (collectively, the "Plans").

Modification No. 19 to the Industry Square Redevelopment Plan authorizes the creation of a new TIF district as a tool for carrying out the redevelopment activities described therein. Because the Industry Square Redevelopment Project Area is within the boundary of the Common Project, Modification No. 100 to the Common Plan has also been prepared to reflect the authorization to pursue these redevelopment activities within a project that has been incorporated within the Common Project Area. **However, the new TIF district is not being incorporated into the Common Project and will not be subject to the existing Common Project obligations and commitments, and is being created as a free-standing tax increment district.**

The Park Avenue East TIF Plan provides for the establishment of a new redevelopment TIF district: the "Park Avenue East TIF District" (the "TIF District"). The TIF Plan authorizes public redevelopment activities/expenditures and establishes a new redevelopment TIF district and budget for expenditures within the boundaries of the Industry Square Project Area (the "Project Area"). Tax increment will be used to pay for a portion of the public redevelopment and administrative costs associated with the TIF District.

Background

On February 6, 1998, the Minneapolis City Council and the Minneapolis Community Development Agency approved the creation of the **West Side Milling District TIF and Hazardous Substance Subdistrict Plan** (the "Plan"). The Plan authorized public redevelopment activity and expenditures to assist the West Side Milling District Project, and created a new tax increment financing district and hazardous substance subdistrict.

The Plan authorized the use of tax increment revenue and other public funds to pay for public redevelopment activity – including acquisition, demolition, pollution remediation, rehabilitation

of historic buildings, public improvements, and other project related activities. The primary purpose of the Plan was to facilitate the rehabilitation and residential reuse of the historic North Star Woolen Mill, the Utility Building of the Washburn Crosby Mill complex, and new infill housing development on an adjacent property. The Plan also authorized possible additional public improvements and expenditures to assist with the stabilization and preservation of the remaining untreated historic structures in the Washburn Crosby Mill Complex, which included the development of a major historic interpretive and orientation center within the Washburn Crosby Mill Complex. The Plan authorized public assistance to facilitate the housing development project, assisted with the implementation of the historic interpretive center plan, and leveraged further public and private redevelopment activities and expenditures that facilitated the preservation and reuse of the entire complex of historic properties and resources. The site was previously decertified and removed from the existing Industry Square TIF District (#9) while a new redevelopment TIF district and Hazardous Substance Subdistrict (West Side Milling District TIF #86) were established. In January, 2001 the MBIA granted its consent to the release of the parcels from the pledge to the tax increment revenue bonds of 1990.

On February 2, 2001, the City Council approved **Modification No. 1** to the West Side Milling District TIF Plan. Modification No. 1 authorized the geographic enlargement of the TIF District with the addition of two parcels initially and the subsequent addition of portions of three other parcels, including portions of streets located within TIF District #9, for proposed continuing development and redevelopment within the West Side Milling District. The Modification also revised the budget to finance additional public redevelopment activities, and established the maximum amount of bonded indebtedness that may be incurred.

The development plans included development of the lower three floors of the eight-story Washburn/Crosby A Mill for the Minnesota Historical Society's Mill City Museum, and development of the upper five floors by Brighton Development Corporation into approximately 62,315 square feet of office space. Brighton also redeveloped the Humboldt Building and adjacent land into 36 units of ownership housing and 72 underground parking spaces.

Modification No. 2 to the West Side Milling District TIF Plan, approved on June 6, 2003, deleted from TIF District #86 property (owned by the MCDA and exempt from property taxes) bounded by 2nd Street South, Washington Avenue South, vacated Park Avenue South and vacated Chicago Avenue South. A portion of the property removed from the West Side Milling District will be included within the Park Avenue East TIF District.

The Park Avenue East TIF District will facilitate the construction of a public parking ramp containing approximately 324 stalls on a portion of the property that was removed from the West Side Milling District TIF District. The Park Avenue Lofts East housing development will contain 38 luxury condominiums with underground parking.

A complete description of the boundary of the Park Avenue East TIF District is found in Section I of the Park Avenue East TIF Plan (under separate cover).

By reference, Modification No. 100 to the Common Plan is incorporated into the Incorporated Project Documents, and in themselves are designated Incorporated Documents.

SECTION A. COMMON DEVELOPMENT AND REDEVELOPMENT PLAN

Subsection A.1. Mission Statement (No Change)

Subsection A.2. Definitions (No Change)

Subsection A.3. Description of Public Purpose (No Change)

Subsection A.4. Objectives of Common Project (No Change)

Subsection A.5. Structuring of Common Project (No Change)

Subsection A.6. History of Establishment and Modification of Projects and TIF Districts Included in Common Project Area **(Changed)**

Subsection A.6. is modified to include the following information:

Project	Plan, Mod or Amendment	City Council Approval Date	Resolution Number
Modification No. 100 to the Common Plan (Park Avenue East TIF)	*Modification No. 19 to the Industry Square Redevelopment Plan*	*September 24, 2004*	*04R-____*

Subsection A.7. Estimated Public Improvement Costs (No Change)

Subsection A.8. Boundaries of the Common Project Area (No Change)

Subsection A.9. Development Program Requirements (No Change)

Subsection A.10. Modifications to Common Development and Redevelopment Plan (No Change)

Subsection A.11. Neighborhood Revitalization Program (No Change)

SECTION B. COMMON TAX INCREMENT FINANCING PLAN (Changed)

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Subsection B.2. Boundaries of Participating Tax Increment Financing Districts (No Change)

Subsection B.3. Statement of Objectives and Development Program, Including Property to be Acquired (No Change)

Subsection B.4. Properties to be deleted from Participating Tax Increment Financing Districts (No Change)

Subsection B.5. Development Activity in the Common Project for Which Contracts Have Been Signed and Other Specific Development Expected to Occur (No Change)

Subsection B.6. Description of Financing (No Change)

Subsection B.7. Estimated Impact on Other Taxing Jurisdictions (No Change)

Subsection B.8. Modifications to Common Tax Increment Financing Plan (No Change)

Subsection B.9. Neighborhood Revitalization Program (No Change)

Subsection B.10 Hazardous Substance Subdistrict Plan (No Change)