



**Modification No. 15
to the
North Washington Industrial Park Redevelopment
and Tax Increment Finance Plan**

and

**Modification No. 110
to the
Common Development and Redevelopment and
Common Tax Increment Finance Plan**

October 12, 2007

Prepared by Development Finance Division
105 5th Avenue South, Minneapolis, Minnesota 55401

**Modification No. 15
to the
North Washington Industrial Park Redevelopment and Tax Increment
Finance Plans
October 12, 2007**

| | |
|---------------------|-----------------------------------|
| Original Plan | May 1, 1973 |
| Modification No. 1 | July 1, 1974 |
| Modification No. 2 | March 12, 1975 |
| Modification No. 3 | August 1, 1977 |
| Modification No. 4 | November 2, 1978 |
| Modification No. 5 | June 18, 1980 |
| Modification No. 6 | July 27, 1984 |
| Modification No. 7 | November 4, 1985 |
| Change No. 1 | October 15, 1987 |
| Modification No. 8 | April 20, 1989 |
| Modification No. 9 | June 8, 1989 |
| Modification No. 10 | November 3, 1989 |
| Modification No. 11 | May 2, 1994; revised May 19, 1994 |
| Modification No. 12 | June 18, 1999 |
| Modification No. 13 | September 29, 2000 |
| Modification No. 14 | March 22, 2002 |

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 - 1. Boundaries of Redevelopment Project – No Change
 - 2. Project Boundary Map – Updated
 - 3. Objectives of the Redevelopment Plan – No Change
 - 4. Type of Redevelopment Activities – No Change
- C. Land Use Plan
 - 1. Land Use Map – No Change
 - 2. Land Use Provisions and Requirements – No Change
- D. Project Proposals
 - 1. Land Acquisition – No Change
 - 2. Rehabilitation – No Change
 - 3. Redevelopers' Obligations – No Change
- E. Relocation – No Change
- F. Official Action to Carry Out the Redevelopment Plan – No Change
- G. Procedure for Changes in Approved Redevelopment Plan – No Change

**Modification No. 15 to the
North Washington Industrial Park Redevelopment and Tax Increment
Finance Plan
October 12, 2007**

Introduction

Plan documents have been prepared to facilitate the construction of a proposed new “first class” headquarters office building and new product development facility at 1601 West River Road in Ward 5 in north Minneapolis. Plan documents include Modification No. 15 to the North Washington Industrial Park (NWIP) Redevelopment Plan and Modification No. 110 to the Common Development and Redevelopment and Common Tax Increment Finance Plan (Common Project) (the “Common Plans”) and the Coloplast Redevelopment Tax Increment Finance Plan.

Modification No. 15 to the NWIP Redevelopment Plan, and Modification No. 110 to the Common Plans remove three parcels from the existing TIF District #8 in order that those parcels can be included in the new Coloplast Redevelopment TIF District. The new public redevelopment costs associated with the proposed project cannot be financed within the limitations imposed by the existing TIF District #8 because of statutory limitations on the use of tax increment from TIF District #8, and the short remaining term of the existing district. For that reason a request was made and approved by the MBIA Insurance Corporation to release the parcels from the prior pledge to Tax Increment Revenue Bonds of 1990 (the Common Project). A request will also be made that Hennepin County decertify and remove the affected parcels from the existing TIF District #8.

Because TIF District #8 is within the Common Project, **Modification No. 110 to the Common Plans** has also been prepared. The parcels included in the new Coloplast Redevelopment TIF District remain within the existing NWIP Redevelopment Project Area. The geographical area of NWIP is included within the Common Project; however, the new Coloplast Redevelopment TIF District is not being incorporated into the Common Project. Rather, it is intended to be a freestanding TIF district and will not be subject to the existing Common Project obligations and commitments. **Modification No. 15 to the NWIP Redevelopment Plan** authorizes the creation of a new tax increment finance district as a tool for carrying out the redevelopment activities described therein.

The **Coloplast Redevelopment Tax Increment Finance Plan** creates a new redevelopment tax increment financing district within the NWIP Redevelopment Project Area to finance the anticipated costs of public redevelopment activities, and establishes a project budget.

Only those portions of the plan that have been modified by adding supplemental language have been identified in this document. The original and complete plan documents are available in the official files for the North Washington Industrial Park redevelopment project and the Common Plans, which are stored in the Development Finance Department at 105 5th Avenue South, Minneapolis, Minnesota.

Background

The original NWIP Redevelopment Plan was approved by the Minneapolis City Council on August 31, 1973. On December 28, 1973, tax increment financing was established by the City Council as the primary method of financing redevelopment in the area.

Three parcels will be removed from the existing TIF District #8 in order that those parcels can be included in the new Coloplast Redevelopment TIF District. However, these parcels will remain within the boundary of the NWIP Redevelopment Project Area.

The parcels to be removed from TIF District #8 are:

| <i>Property Identification Number</i> | <i>Address</i> |
|--|-----------------------|
| 1) 15-029-24-42-0008 | 1615 West River Road |
| 2) 15-029-24-42-0016 | 1601 West River Road |
| 3) 15-029-24-43-0012 | 1525 West River Road |

The TIF Boundary Map, dated October 12, 2007 is attached as Exhibit 1 to this Modification.

This Modification authorizes the creation of a new redevelopment tax increment financing district to be called the Coloplast Redevelopment TIF District within the NWIP Redevelopment Project Area to finance the anticipated costs of public redevelopment activities.

Development Proposal

The Coloplast Corporation proposes to develop a new six-story, 90,000- square foot “first class” headquarters office building and 40,000 square feet of new product development space. The existing manufacturing space will be renovated with a portion of the warehouse space in the building being converted to a research and development use. There are two buildings on the site that will be demolished: a 14,975-square foot two-story office building located at 1601 West River Road and a 67,275-square foot single-story manufacturing building located at 1615 West River Road. With the existing building and new construction, the total amount of square footage on the site will be 197,050 square feet, with approximately 284 on-site parking spaces.

Coloplast is relocating a portion of its healthcare manufacturing operations to a leased facility in Vadnais Heights. This move is to accommodate the new construction on the site and to satisfy the parking need. It is the intent of Coloplast to relocate the displaced healthcare manufacturing back to the West River Road Headquarters location upon the acquisition of additional land in the area as a potential future phase of the project.

The new office tower will accommodate 200 new headquarters employees with room for significant growth. Coloplast will also make improvements to the existing manufacturing area by increasing the space dedicated to research and development. These improvements represent the first of three expansion projects proposed over the next 11 years.

**Modification No. 110 to the
Common Development and Redevelopment Plan
and
Common Tax Increment Financing Plan
October 12, 2007**

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(This Table of Contents is not part of Modification No. 110 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan, and is only for convenience of reference.)

SECTION A. COMMON DEVELOPMENT AND REDEVELOPMENT PLAN

| | | <u>Impact of Mod. 110</u> |
|------------------|--|---------------------------|
| 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 Modifications of Projects and TIF Districts Included in Common Project Area | Changed |
| Subsection A.7. | Estimated Public Improvement Costs | No Change |
| Subsection A.8. | Boundaries of the Common Project Area | Changed |
| 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

| | | |
|-----------------|--|----------------|
| Subsection B.1. | Summaries of Participating Tax Increment Financing Districts | No Change |
| Subsection B.2. | Boundaries of Participating Tax Increment Financing Districts | Changed |
| Subsection B.3. | Statement of Objectives and Development Program, Including Property that may be Acquired | No Change |
| Subsection B.4. | Properties to be Deleted From Participating Tax Increment Financing Districts | Changed |
| Subsection B.5. | Development Activity in 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 |

List of Exhibits

| | |
|-----------|---|
| Exhibit 1 | Land Use Map – No Change |
| Exhibit 2 | Property Acquisition Map – No Change |
| Exhibit 3 | Project Area Report and Documentation of Blight – No Change |
| Exhibit 4 | Feasibility Study and But For Analysis – No Change |

Modification No. 110 to the Common Development and Redevelopment Plan

October 12, 2007

Introduction

Plan documents have been prepared to facilitate the construction of a proposed new “first class” headquarters office building and new product development facility at 1601 West River Road in Ward 5 in north Minneapolis. Plan documents include Modification No. 15 to the North Washington Industrial Park (NWIP) Redevelopment Plan and Modification No. 110 to the Common Development and Redevelopment and Common Tax Increment Finance Plan (Common Project) (the “Common Plans”), and the Coloplast Redevelopment Tax Increment Finance Plan.

Modification No. 15 to the NWIP Redevelopment Plan and Modification No. 110 to the Common Plans remove three parcels from TIF District #8 in order that those parcels can be included in the new Coloplast Redevelopment TIF District. The new public redevelopment costs associated with the proposed project cannot be financed within the limitations imposed by the existing TIF District #8 because of statutory limitations on the use of tax increment from TIF District #8, and the short remaining term of the existing district. For that reason a request was made and approved by the MBIA Insurance Corporation to release the parcels from the prior pledge to Tax Increment Revenue Bonds of 1990 (the Common Project). A request will also be made that Hennepin County decertify and remove the affected parcels from the existing TIF District #8.

Because TIF District #8 is within the Common Project, **Modification No. 110 to the Common Plans** has also been prepared. The parcels included in the new Coloplast Redevelopment TIF District remain within the existing NWIP Redevelopment Project Area. The geographical area of NWIP is included within the Common Project; however, the new Coloplast Redevelopment TIF District is not being incorporated into the Common Project. Rather, it is intended to be a freestanding TIF district and will not be subject to the existing Common Project obligations and commitments. **Modification No. 15 to the NWIP Redevelopment Plan** authorizes the creation of a new tax increment finance district as a tool for carrying out the redevelopment activities described therein.

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By reference, Modification No. 110 to the Common Plan and Modification No. 15 to the North Washington Industrial Park Redevelopment and TIF Plans are Incorporated Documents to the Common Development and Redevelopment Plan.

SECTION A. Modification No. 110 to the Common Development and Redevelopment Plan

Subsection A. 6. History of Establishment and Modification of Underlying Project Areas and Tax Increment Financing Districts Included in Common Project Area - **Changed**

| <i>Project/District</i> | <i>Plan Modification</i> | <i>Anticipated City Council Approval Date</i> | <i>Resolution Number</i> |
|----------------------------------|---------------------------------|--|---------------------------------|
| North Washington Industrial Park | Mod. No. 15 | December 7, 2007 | 2007R- |
| Common Project | Mod. No. 110 | December 7, 2007 | 2007R- |

Subsection A. 8. Boundaries of the Common Project Area

Three parcels will be removed from the existing TIF District #8 in order that those parcels can be included in the new Coloplast Redevelopment TIF District. However, these parcels will remain within the boundary of the NWIP Redevelopment Project Area.

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SECTION B. Modification No. 110 to the Common Tax Increment Finance Plan

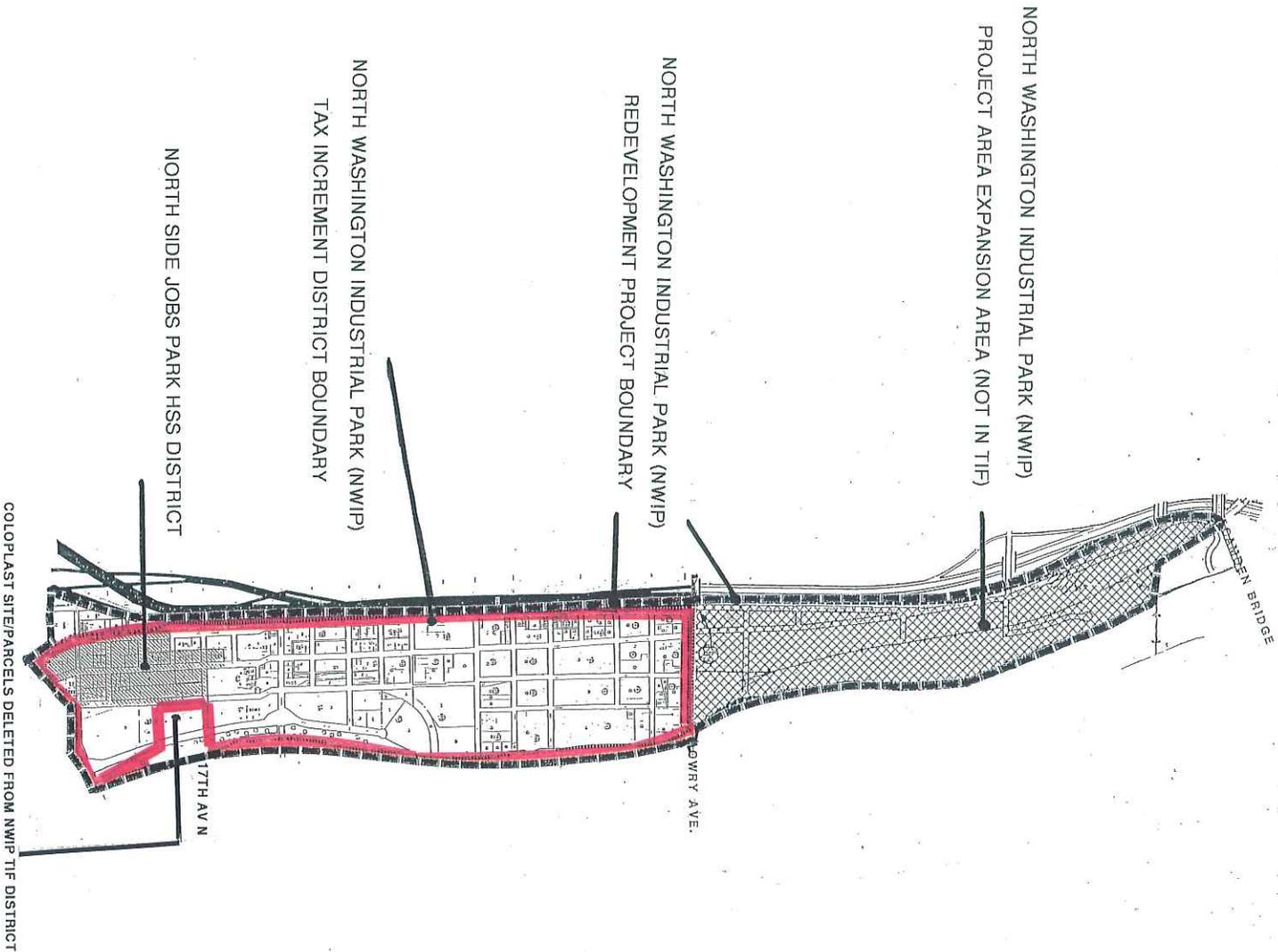
Subsection B. 2. Boundaries of Participating Tax Increment Financing Districts – Changed

Three parcels will be removed from the existing NWIP TIF District in order that those parcels can be included in the new Coloplast Redevelopment TIF District. However, these parcels will remain within the boundary of the NWIP Redevelopment Project Area.

Subsection B. 4. Properties to be Deleted From Participating Tax Increment Financing Districts – Changed

The parcels to be removed from TIF District #8 are:

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Boundary Map
October 12, 2007