



# Request for City Council Committee Action from the Department of Community Planning & Economic Development

**Date:** September 26, 2006  
**To:** Council Member Lisa Goodman, Community Development Committee  
Council Member Paul Ostrow, Ways & Means/Budget Committee  
**Subject:** Modification No. 1 to Ripley Gardens Apartments/Marshall Stacey Town Homes Tax Increment Finance Plan

**Recommendation:**

Approve the attached City Council resolution adopting Modification No. 1 to the Ripley Gardens Apartments/Marshall Stacey Town Homes TIF Plan

**Previous Directives:**

On June 7, 2005, the Council approved the Penn & Glenwood Redevelopment Plan and the Ripley Gardens Apartments/Marshall Stacey Town Homes TIF Plan; approved the issuance of Pay-As-You-Go TIF note to M. Ripley Limited Partnership in an amount not to exceed \$800,000; approved the redevelopment contract terms; and authorized the execution of a redevelopment contract. On April 14, 2005, the Council approved \$40,000 from the Workforce Ownership Housing Development Program for the Marshall Stacey Town Homes; On January 28, 2005, the Council approved \$945,000 in Affordable Housing Trust Funds for the Ripley Gardens Apartments; In December 2004, the Council granted tax increment financing project analysis authorization for Ripley Gardens and Marshall Stacey Town Homes and approved \$100,000 from the Empowerment Zone Program for Marshall Stacey Town Homes; in November 2004, the Council allocated \$498,000 of 2005 Low Income Housing Tax Credits to Ripley Gardens Apartments; in May 2004, the Council approved \$200,000 in Affordable Housing Trust Funds for Ripley Gardens Apartments and \$30,000 in Non Profit Administrative Assistance funds for Central Community Housing Trust.

**Prepared by:** Tiffany Glasper, Sr. Project Coordinator, 673-5221

**Approved by:** Chuck Lutz, Deputy CEPD Director \_\_\_\_\_  
Elizabeth Ryan, Director, Housing Policy & Development \_\_\_\_\_

**Permanent Review Committee (PRC) Approval** \_\_\_\_\_ Not Applicable XX

**Note:** To determine if applicable see <http://insite/finance/purchasing/permanent-review-committee-overview.asp>

**Presenter in Committee:** Tiffany Glasper, Sr. Project Coordinator

**Financial Impact (Check those that apply)**

XXX No financial impact (If checked, go directly to Background/Supporting Information).

\_\_\_ Action requires an appropriation increase to the \_\_\_ Capital Budget or \_\_\_ Operating Budget.

\_\_\_ Action provides increased revenue for appropriation increase.

\_\_\_ Action requires use of contingency or reserves.

\_\_\_ Business Plan: \_\_\_ Action is within the plan. \_\_\_ Action requires a change to plan.

\_\_\_ Other financial impact (Explain): Issuance of these tax-exempt revenue bonds will generate revenue bond administrative fees annually for the City

\_\_\_ Request provided to department's finance contact when provided to the Committee Coordinator.

### **Community Impact (use any categories that apply)**

**Neighborhood Notification:** Not applicable.

**City Goals:** A SAFE PLACE TO CALL HOME – In five years all Minneapolis residents will have a better quality of life and access to housing and services; residents will live in a healthy environment and benefit from healthy lifestyles; the city's infrastructure will be well-maintained and people will feel safe in the city.

### **Comprehensive Plan:**

4.9 Minneapolis will grow by increasing its supply of housing. 4.12 Minneapolis will reasonably accommodate the housing needs of all its citizens. Policy 35: Within the constraints imposed by state and federal regulations, the City should continue to sell tax exempt revenue bonds to provide below market rate housing development financing.

**Zoning Code:** Complies.

**Other:** None

### **Background/Supporting Information:**

Central Community Housing Trust (CCHT) has proposed to redevelop the site of the former Ripley Maternity Hospital at 300 Queen Avenue North. The proposed development is a mixed-income project that combines the rehabilitation and reuse of existing historic buildings and new construction.

The development contains both rental and ownership housing. The rental portion, Ripley Gardens Apartments, contains 52 units of affordable rental housing and the ownership portion, Marshall Stacey Town Homes, will contain eight (8) town homes units.

In June of last year, this Council approved the use of Tax Increment Financing to assist in carrying out the project, which includes the elimination of blight, increasing the number of housing units and choices in the City, providing opportunities for affordable rental and ownership housing and preserving unique historic structures.

Staff is recommending approval of administrative Modification No. 1 to the Ripley Gardens Apartments/Marshall Stacey Town Homes TIF Plan to reflect the most recent information on the

use of this source of funds for paying project costs. The overall budget has not changed and no new monies are being added or requested.

The Plan Modification reflects a change in the budget to include costs associated with the underground parking for the ownership units as reflected below.

**Ripley Gardens Apartments/Marshall Stacey Town Homes**

**TIF District Budget**

<b>Sources</b>	<b>Up Front</b>	<b>Over Time</b>
Developer Funds	\$920,000	--
Tax Increment		\$2,140,000
<b>Total Sources</b>	\$920,000	\$2,140,000
<b>Uses</b>		
Building Renovation	<u>\$720,000<sup>1</sup></u>	
<u>Parking<sup>1</sup></u>	<u>200,000<sup>1</sup></u>	
Pay-As-You-Go Note Principal		920,000
Pay-As-You-Go Note Interest		1,006,000
Administration		214,000
<b>Total Uses</b>	\$920,000	<b>\$2,140,000</b>

<sup>1</sup> Underlined items reflect change

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