



## Request for City Council Committee Action from the Finance and Property Services Department

**Date:** November 18, 2014

**To:** Council Member Lisa Goodman, Chair, Community Development &  
Regulatory Services Committee  
Council Member John Quincy, Chair, Ways and Means Committee

**Subject:** Approval of Modification No. 1 to the 50<sup>th</sup> and France Tax Increment Finance  
(TIF) Plan

**Recommendation:** Adopt the attached resolution approving Modification No. 1 to the 50<sup>th</sup>  
and France TIF Plan

**Previous Directives:** On June 26, 1998, the City Council adopted a resolution  
establishing the 50<sup>th</sup> and France TIF District No. 87 (the "50<sup>th</sup> and France TIF District") and  
approving the TIF Plan relating thereto.

### Department Information

Prepared by: Pamela McKenna, Development Finance Specialist (612-673-5038)
Approved by: Kevin Carpenter, Finance Officer _____
Spencer Cronk, City Coordinator _____
Presenter in Committee: Pamela McKenna

### Financial Impact

This action has no financial impact on the City. The TIF District will be decertified as projected in the original TIF Plan. No additional financial assistance is being provided to the project.

### Background Information

The 50<sup>th</sup> and France TIF District was established as a renewal and renovation district to provide assistance to the development of a two-story retail and office center. The term of the District is 15 years from receipt of the first tax increment revenue. The first increment was received in 2002; therefore the District is scheduled for decertification as of December 31, 2017. Project activities financed through TIF revenues of the District included site assembly, relocation and demolition costs. A pay-as-you-go TIF note was issued in the amount of \$1,800,000 to reimburse the developer for these costs.

Under the terms of the redevelopment agreement, 90% of the increment generated from the District is applied to the payment of principal and interest on the note. At the time the TIF Plan was adopted, the total TIF Plan budget provided for \$2,725,000 in costs relating to project and administrative activities. However, the original TIF Plan budget did not include

an amount for the interest costs of the note. Annual TIF reports to the Office of the State Auditor now require that the interest component of a pay-as-you-go TIF note be included in the TIF Plan budget.

The sole purpose of this TIF Plan modification is to increase the TIF Plan budget to include interest costs in order to more accurately reflect the projected TIF revenues and expenditures over the life of the District. The term of the District is not being extended and no additional financial assistance is being provided to the project.

**RESOLUTION  
OF THE  
CITY OF MINNEAPOLIS**

**By Goodman and Quincy**

**Approving Modification No 1 to the 50<sup>th</sup> and France TIF 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 Resolution 98R-212 duly adopted June 26, 1998 and approved July 1, 1998, the City approved the 50<sup>th</sup> and France TIF Plan (the "TIF Plan") and thereby established the 50<sup>th</sup> and France TIF District (the "District").

1.3. It has been proposed and the City has caused to be prepared, and this Council has investigated the facts with respect to, Modification No 1 to the TIF Plan ("Modification No 1"). Modification No 1 increases the TIF Plan budget to include interest costs in order to more accurately reflect the projected TIF revenues and expenditures over the life of the District. This action is 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 approval of Modification No 1, including, but not limited to, a review of Modification No 1 by the affected neighborhood group and the City Planning Commission, transmittal of Modification No 1 to the Hennepin County Board of Commissioners and the Board of Education of Special School District No 1 for review and comment, and the holding of a public hearing upon published notice as required by law.

Section 2. Findings

2.1. The Council hereby finds, determines and reaffirms the findings made in Resolution 98R-212.

2.2. The Council further finds, determines and declares that the objectives and actions authorized by Modification No 1 are all pursuant to and in accordance with the Project Laws.

2.3. The Council further finds, determines and declares that Modification No 1 conforms 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 Modification No 1 were issued on October 27, 2014, are incorporated herein by reference, and are on file in the office of the City Clerk.

2.4. The Council hereby finds, determines and declares that it is necessary and in the best interests of the City at this time to approve Modification No 1.

### Section 3. Approval of the Modification

3.1. Based upon the findings set forth in Section 2 hereof, Modification No 1 presented to the Council on this date is hereby approved and shall be placed on file in the office of the City Clerk.

### Section 4. Implementation of the Modification

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 Modification No 1, 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.