

City of Minneapolis

Request for Committee Action

To: Community Development & Regulatory Services
Date: 9/13/2016
Referral: Ways & Means
From: Community Planning & Economic Development
Lead Staff: Mark Winkelhake, Director, Development Finance 612-673-5105
Presented by: Mark Winkelhake
File Type: Resolution
Subcategory: Designation

Subject:

Modification No. 126 to the Common Plan and Modification No. 1 to the Ninth Street and Hennepin Avenue Redevelopment Plan

Description:

Passage of resolution approving Modification No. 126 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan and Modification No. 1 to the Ninth Street and Hennepin Avenue Redevelopment Plan.

Previous Actions:

1. On December 15, 1989, the City Council approved the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan (the “Common Plan”).
 2. On April 14, 1995, the City Council approved the Ninth Street and Hennepin Avenue Redevelopment Plan.
 3. On August 5, 2016, the City Council authorized a \$2.8 million loan and a \$250,000 grant to Hennepin Theatre Trust for the acquisition and renovation of the Solera Building at 900 and 906 Hennepin Avenue. ([16-01064](#))
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Ward/Address:

Ward 7
900 and 906 Hennepin Avenue

Background/Analysis:

On August 5, 2016, the City Council authorized a \$2.8 million loan and a \$250,000 grant to Hennepin Theatre Trust (the Trust) for the acquisition and renovation of the Solera Building located at 900 and 906 Hennepin Avenue. The City loan is to be temporarily funded from the Development Account (Fund 01SDA), with permanent funding to be provided from Common Development and Redevelopment Project (“Common Project”) tax increment funds (specifically Fund 01CPR – IDS Data Service Center).

However, to lend money from Common Project tax increment funds, the Solera Building must be incorporated into the Common Project. The building is located within the Ninth Street and Hennepin Avenue Redevelopment Project (the “Redevelopment Project”), but the Redevelopment Project is not incorporated into the Common Project.

Modification No. 126 to the Common Plan includes the following changes:

- Incorporates the Redevelopment Project into the Common Project.
- Allows the use of Common Project tax increment revenue for a \$2.8 million loan to the Trust for acquisition and renovation of 900 and 906 Hennepin Avenue.

Modification No. 1 to the Ninth Street and Hennepin Avenue Redevelopment Plan incorporates the Redevelopment Project into the Common Project.

Notice of the opportunity to review and comment on the proposed plan modifications was sent to the Hennepin County Board of Commissioners, the Minneapolis School Board, the City Planning Commission, the Downtown Minneapolis Neighborhood Association, and other interested parties on July 29, 2016. On August 31, 2016, the City Planning Commission (CPC) Committee of the Whole found the proposed modifications to be consistent with *The Minneapolis Plan for Sustainable Growth*; it is expected that the CPC will make its finding on September 19, 2016. Any additional comments received after preparation of this report will be presented to the Council at the public hearing to be conducted by the Community Development & Regulatory Services Committee on September 13, 2016.

Financial Review:

Additional appropriation required.

Amend the 2016 General Appropriation Resolution to increase the CPED appropriation in IDS Data Service Center Fund 01CPR-8900320 by \$2,800,000 from available fund balance.

Increase the 2016 Revenue Budget in CPED Development Account Fund 01SDA-8900320-382801 by \$2,800,000.

Future budget impact anticipated.

Monthly loan repayments will be deposited into Fund 01CPR, and therefore it is anticipated that \$2.8 million (plus interest) will be returned to this fund. However, this may occur over a long period of time. In the short term, there will be \$2.8 million less in the Common Project funds that will be available for other development projects.

Attachments:

1. Modification No. 126 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan and Modification No. 1 to the Ninth Street and Hennepin Avenue Redevelopment Plan.
2. Resolution approving Modification No. 126 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan and Modification No. 1 to the Ninth Street and Hennepin Avenue Redevelopment Plan.