



City of Minneapolis

**Modification No. 15
to the
St. Anthony West Urban Renewal Plan
(Clare Apartments/Old Third Avenue Townhomes)**

May 21, 2004

**MODIFICATION NO. 15 TO THE
ST. ANTHONY WEST URBAN RENEWAL PLAN
(Clare Apartments/Old Third Avenue Townhomes)**

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Introduction

This plan document - Modification No. 15 to the St. Anthony West Urban Renewal Plan authorizes the decertification of three tax parcels from the existing St. Anthony West Tax Increment Financing District, and the deletion of these parcels from the boundary of the St. Anthony West Urban Renewal Project. These parcels will be included in the new Clare Apartments/Old Third Avenue Townhomes Redevelopment Project and the new Clare Apartments/Old Third Avenue Townhomes Tax Increment Finance District.

Plan Documents

Four plan documents have been prepared that are related to a proposed rental and homeownership project that has been proposed in the St. Anthony East neighborhood in Ward 1 of Northeast Minneapolis. The plan documents include the Clare Apartments/Old Third Avenue Townhomes Tax Increment Finance ("TIF") Plan, the Clare Apartments/Old Third Avenue Townhomes Redevelopment Plan, this Modification No. 15 to the St. Anthony West/East Bank I-335 Urban Renewal Plan and TIF (County Designation No. 18), and Modification No. 99 to the Common Development and Redevelopment and Common TIF Plans (collectively, the "Plans").

Modification No. 15 to the St. Anthony West/East Bank I-335 Urban Renewal and TIF Plan removes parcels from the Project Area and TIF District in order that those parcels can be included in the new Clare Apartments/Old Third Avenue Townhomes TIF District and Project Area. The new public redevelopment costs associated with the proposed homeownership and rental projects cannot be financed within the limitations imposed by the existing St. Anthony West/East Bank I-335 TIF District because of statutory limitations on the use of tax increment from the TIF District, the short remaining term of the existing district, and the impact of the prior pledge of revenue from the district to the outstanding debt of other projects. For that reason a request has been made to release the parcels from the prior pledge of TI Revenue Bonds of 1990 (the Common Project) by the MBIA Insurance Corporation. A request will also be made to Hennepin County to decertify and remove the three affected parcels from the existing TIF District. Because the St. Anthony West/East Bank I-335 Urban Renewal Project and TIF District are in the Common Project, **Modification No. 99 to the Common Plans** has also been prepared. The new **Clare Apartments/Old Third Avenue Townhomes TIF District** and project area are not being incorporated into the Common Project and will not be subject to the existing Common Project obligations and commitments, and are being created as a free-standing tax increment district and project area.

The Clare Apartments/Old Third Avenue Townhomes Redevelopment Plan establishes a new redevelopment project area, establishes objectives for redevelopment, and identifies land uses for the redevelopment of the project area. It authorizes the creation of a new tax increment finance district as a tool for carrying out the redevelopment activities described therein.

The Clare Apartments/Old Third Avenue Townhomes TIF Plan provides for the establishment of a new housing TIF district, authorizes public redevelopment activities, and establishes a budget for expenditures. Tax increment will be used to pay for a portion of the public redevelopment costs associated with the project.

B. Description of Project

1. Boundaries of Urban Renewal Area (Changed)

The St. Anthony West Urban Renewal Project Area was established with the adoption of the original Urban Renewal Plan, dated December 20, 1963. Modifications to the plan have expanded and altered the original boundary of the project area. Subsequently, tax increment financing was adopted as the method of financing for the project area, and most of the project area is currently located within a pre-1979 tax increment financing district. When the 1989 Common Development and Redevelopment Plan and Common Tax Increment Financing Plan was approved, St. Anthony West became a participating tax increment financing district within the Common Project Area.

The current boundary of the St. Anthony West Urban Renewal Project Area and tax increment financing district is changed to reflect the decertification and deletion of three parcels that are located at 200 – 10th Street NE, 1000 and 1004 Third Avenue NE.

The three parcels to be decertified and deleted from the St. Anthony West TIF district (county designation 18) are:

<i>PID numbers</i>	<i>Addresses</i>
14-029-24-44-0074	1004 Third Avenue NE
14-029-24-44-0075	1000 Third Avenue NE
14-029-24-44-0101	200 – 10 th Street NE

A map of the parcels to be deleted is attached as Exhibit #1.

The parcels that are being decertified and deleted from the existing St. Anthony West tax increment financing district by this plan are being included within the boundaries of the new Clare Apartments/Old Third Avenue Townhomes Redevelopment Project Area and TIF District, which are being established coincidentally with the approval of this plan, by the adoption of the Clare Apartments/Old Third Avenue Townhomes Redevelopment and Tax Increment Finance Plans, dated May 21, 2004.



COMMON DEVELOPMENT AND REDEVELOPMENT PROJECT
ST. ANTHONY WEST URBAN RENEWAL AREA

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 May 21, 2004

Parcels to be Deleted

