

Modification No. 125 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan

Draft for Public Review
November 20, 2015

Modification No. 125 to the Common Development and Redevelopment Plan
and Common Tax Increment Financing Plan

Table of Contents

(This Table of Contents is not part of Modification No. 125 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan, and is only for convenience of reference.)

		<u>Impact of Mod. 125</u>
Section A. Common Development and Redevelopment Plan		
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 Tax Increment Financing 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	No Change
Subsection B.3.	Statement of Objectives and Development Program, Including Property That May Be Acquired	Changed
Subsection B.4.	Properties to be Deleted From Participating Tax Increment Financing Districts	No Change
Subsection B.5.	Development Activity in Common Project for Which Contracts Have Been Signed and Other Specific Development Expected to Occur	Changed
Subsection B.6.	Description of Financing	Changed
Subsection B.7.	Estimated Impact on Other Taxing Jurisdictions	No Change
Subsection B.8.	Modifications to Common Tax Increment Financing Plan	No Change

Introduction to Modification No. 125

Modification No. 125 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan (the “Common Plan”) and Modification No. 1 to the Lake and Nicollet Redevelopment Plan incorporate the Lake and Nicollet Redevelopment Project into the Minneapolis Common Development and Redevelopment Project (the “Common Project”) and authorize the use of Common Project tax increment revenue for costs associated with the acquisition of properties at 30 West Lake Street and 10 West Lake Street.

The Lake and Nicollet Redevelopment Plan was approved by the Minneapolis City Council on April 25, 2014. The Redevelopment Plan’s purpose is to facilitate redevelopment activities that support the City’s goals for the area, including re-opening Nicollet Avenue across Lake Street and the Midtown Greenway, improving access to Interstate I-35W from Lake Street, blight removal, and revitalization of the commercial area. Approval of the Lake and Nicollet Redevelopment Plan established the Lake and Nicollet Redevelopment Project.

The properties at 30 West Lake Street (the former SuperValu grocery store site) and 10 West Lake Street (the Kmart site) are among those identified in the Lake and Nicollet Redevelopment Plan as Property That May be Acquired. On November 20, 2015, the City Council authorized the purchase of 30 West Lake Street for \$5,275,000, and also authorized staff to negotiate, sign, and implement an option agreement to purchase the leased fee estate of 10 West Lake Street for an amount not to exceed \$8,000,000. The proposed option price is \$800,000.

The Council appropriated up to \$6,275,000 to provide temporary funding for these activities. While the City’s Development Account will provide a temporary source of funding, tax increment revenues of the Common Project will be the final funding source for these activities.

Common Project funds may only be used for redevelopment activity within Common Project boundaries. Although both 30 West Lake Street and 10 West Lake Street are physically located within the Common Project, the Lake and Nicollet Redevelopment Project, which is one source of the City’s acquisition authority, is not currently incorporated into the Common Project.

Modification No. 125 to the Common Plan includes the following changes:

- Incorporates the Lake and Nicollet Redevelopment Project into the Common Project.
- Expands the Common Project boundary to include all of the property within the Lake and Nicollet Redevelopment Project boundary.
- Designates additional properties (as identified in the Lake and Nicollet Redevelopment Plan) as property that may be acquired by the City.
- Authorizes the use of Common Project tax increment revenue for costs associated with the acquisition of 30 West Lake Street and 10 West Lake Street.

It is anticipated that, following approval of the modifications, Common Project tax increment revenues will be the final funding source for the purchase price and related costs of 30 West Lake Street and the option price and related costs on 10 West Lake Street.

**Modification No. 125 to the Common Development and Redevelopment Plan
and Common Tax Increment Financing Plan**

By reference, Modification No. 125 to the Common Plan and Modification No. 1 to the Lake and Nicollet Redevelopment Plan are Incorporated Documents to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan.

Language added to the Common Plan through Modification No. 125 appears below.

SECTION A. Common Development and Redevelopment Plan

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 Modification of Projects and Tax Increment Financing Districts Included in Common Project Area **(Changed)**

The following language is added to Subsection A.6.:

<i>Project/District</i>	<i>Plan or Modification</i>	<i>Actual or Anticipated City Council Approval Date</i>	<i>Resolution Number</i>
Lake and Nicollet Redevelopment Project	Lake and Nicollet Redevelopment Plan	April 25, 2014	2014R-158
Common Project	Modification No. 125 to the Common Plan	January 15, 2016	2016R-xxx

Subsection A.7. Estimated Public Improvement Costs (No Change)

Subsection A. 8. Boundaries of the Common Project Area **(Changed)**

The following language is added to Subsection A.8.:

Modification No. 125 incorporates the Lake and Nicollet Redevelopment Project into the Common Project and expands the Common Project boundaries to include the portions of the Lake and Nicollet Redevelopment Project Area not already included within the Common Project Area.

**Modification No. 125 to the Common Development and Redevelopment Plan
and Common Tax Increment Financing Plan**

Exhibit 1 shows the boundary of the Lake and Nicollet Redevelopment Project, the area within the Lake and Nicollet Redevelopment Project that is already located within the Common Project, and the area to be added to the Common Project.

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 (No Change)

Subsection B.3. Statement of Objectives and Development Program, Including Property That May be Acquired **(Changed)**

The following language is added to Subsection B.3.:

The following properties, identified in the Lake and Nicollet Redevelopment Plan as Property That May be Acquired, are added to the Common Plan list of Property That May be Acquired:

Property Identification No.	Property Address
34-029-24-34-0096	2901 Blaisdell Ave S
34-029-24-34-0097	17 29th St W
34-029-24-34-0093	13 29th St W
34-029-24-34-0261	2900 Nicollet Ave
34-029-24-43-0085	2839 Nicollet Ave
34-029-24-43-0084	2843 Nicollet Ave
34-029-24-43-0083	2845 Nicollet Ave
34-029-24-34-0114	30 Lake St W
34-029-24-43-0141	10 Lake St W

Subsection B.4. Properties to be Deleted from Participating Tax Increment Financing Districts (No Change)

Subsection B.5. Development Activity in the Common Project for Which Contracts Have Been Signed and Other Specific Development Expected to Occur **(Changed)**

The following language is added to Subsection B.5.:

The acquisition of 30 West Lake Street and 10 West Lake Street will be undertaken to support the City's long-term goals for the area, including re-opening Nicollet Avenue across Lake Street and revitalization of the commercial area.

Subsection B.6. Description of Financing **(Changed)**

The following language is added to Subsection B.6.:

On November 20, 2015, the City Council authorized the purchase of 30 West Lake Street for \$5,275,000, and also authorized staff to negotiate, sign and implement an option agreement to purchase the leased fee estate of 10 West Lake Street for an amount not to exceed \$8,000,000. The proposed option price is \$800,000.

The Council appropriated up to \$6,275,000 within the Community Planning and Economic Development budget to provide temporary funding for these actions. While the City's Development Account will provide a temporary source of funding, it is anticipated that tax increment revenues of the Common Project will be the final funding source for these activities.

Subsection B.7. Estimated Impact on Other Taxing Jurisdictions (No Change)

Subsection B.8. Modifications to Common Tax Increment Financing Plan (No Change)

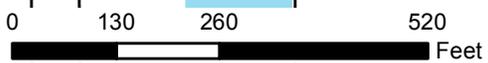
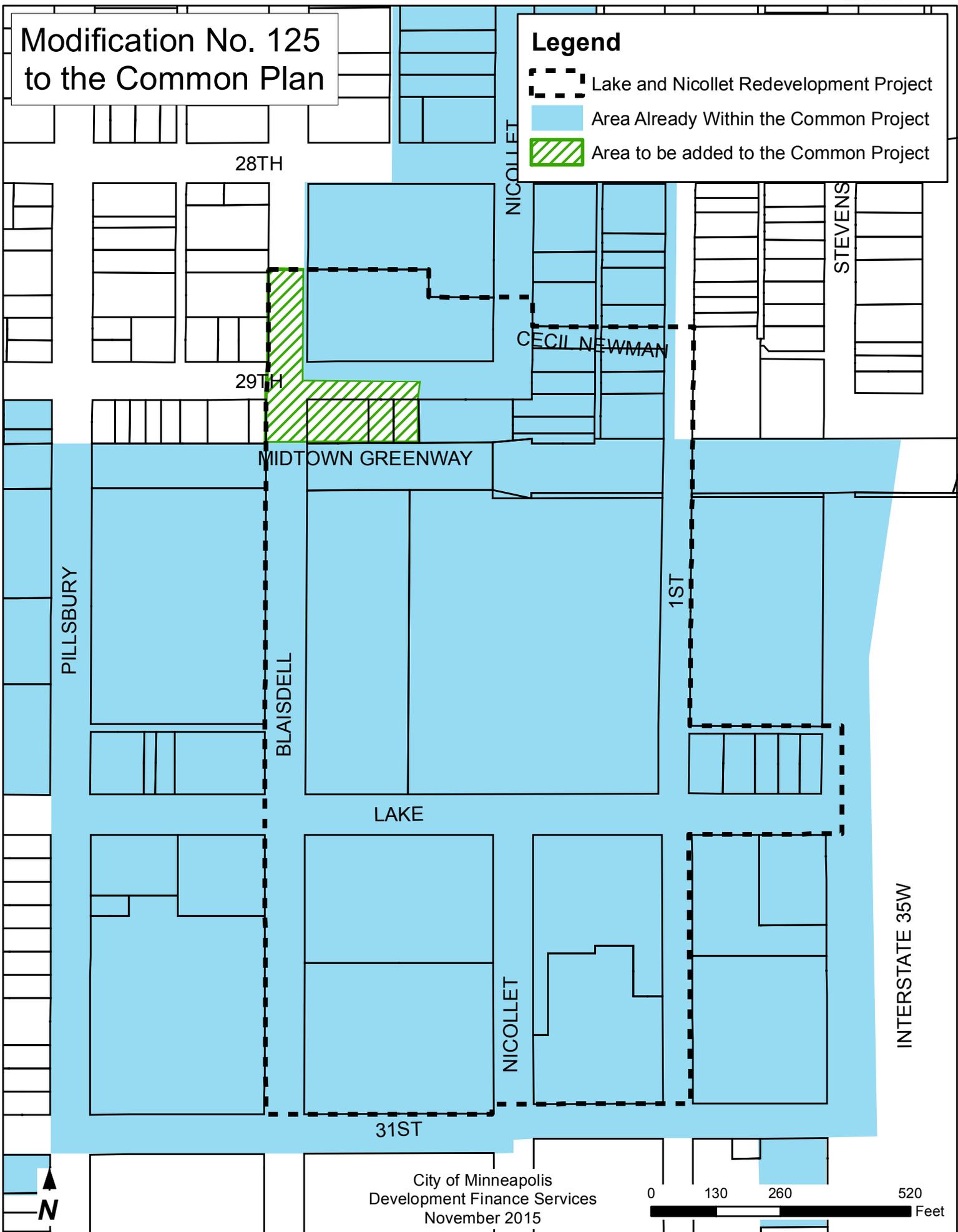
Subsection B.9. Neighborhood Revitalization Program (No Change)

Subsection B.10. Hazardous Substance Subdistrict Plan (No Change)

Modification No. 125 to the Common Plan

Legend

-  Lake and Nicollet Redevelopment Project
-  Area Already Within the Common Project
-  Area to be added to the Common Project



Modification No. 1 to the Lake and Nicollet Redevelopment Plan

Draft for Public Review
November 20, 2015

Table of Contents

- I. Introduction - **Updated**
 - II. Description of Project
 - A. Boundary of Redevelopment Project – **Changed**
 - B. Objectives of Redevelopment Plan – No Change
 - C. Types of Redevelopment Activities – No Change
 - D. Public Purpose – No Change
 - E. Citizen Participation – No Change
 - F. Public Financing - **Changed**
 - III. Land Use Plan
 - A. Future Land Use – No Change
 - B. Conformance with Approved City Plans – No Change
 - C. Land Use Restrictions – No Change
 - IV. Project Implementation
 - A. Project Overview – No Change
 - B. Property Acquisition – No Change
 - C. Relocation – No Change
 - V. Official Action to Carry Out the Redevelopment Plan – No Change
 - VI. Procedure for Changes in Approved Redevelopment Plan – No Change
- Exhibits
- 1. Project Boundary Map – No Change
 - 2. Future Land Use Map – No Change
 - 3. Property Acquisition Map – No Change
 - 4. Project Area Report – No Change
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Introduction to Modification No. 1

The Lake and Nicollet Redevelopment Plan was approved by the Minneapolis City Council on April 25, 2014. The Redevelopment Plan’s purpose is to facilitate redevelopment activities that support the City’s goals for the area, including re-opening Nicollet Avenue across Lake Street and the Midtown Greenway, improving access to Interstate I-35W from Lake Street, blight removal, and revitalization of the commercial area. Approval of the Lake and Nicollet Redevelopment Plan established the Lake and Nicollet Redevelopment Project.

Modification No. 1 to the Lake and Nicollet Redevelopment Plan and Modification No. 125 to the Common Development and Redevelopment Plan and Common Tax Increment Financing Plan (the “Common Plan”) incorporate the Lake and Nicollet Redevelopment Project into the Minneapolis Common Development and Redevelopment Project (the “Common Project”). Although a substantial portion of the Lake and Nicollet Redevelopment Project is physically located within the Common Project, it is not currently incorporated into the Common Project.

The properties at 30 West Lake Street (the former SuperValu grocery store site) and 10 West Lake Street (the Kmart site) are among those identified in the Lake and Nicollet Redevelopment Plan as property that may be acquired by the City. On November 20, 2015, the City Council authorized the purchase of 30 West Lake Street for \$5,275,000, and also authorized staff to negotiate, sign, and implement an option agreement to purchase the leased fee estate of 10 West Lake Street for an amount not to exceed \$8,000,000. The proposed option price is \$800,000.

The Council appropriated up to \$6,275,000 to provide temporary funding for these actions. While the City’s Development Account will provide a temporary source of funding, it is anticipated that tax increment revenues of the Common Project will be the final funding source for these activities.

Common Project funds may only be used for redevelopment activity within Common Project boundaries. It is anticipated that, following approval of the plan modifications that incorporate the Lake and Nicollet Redevelopment Project into the Common Project, Common Project tax increment revenues will be the final funding source for the purchase price and related costs of 30 West Lake Street and the option price and related costs on 10 West Lake Street.

Language added to two sections of the Lake and Nicollet Redevelopment Plan by Modification No. 1 appears below.

Section II.A. Boundary of Redevelopment Project is amended by the addition of the following language:

Upon approval of Modification No. 1 to this Redevelopment Plan and Modification No. 125 to the Common Plan, the Lake and Nicollet Redevelopment Project is incorporated into the Common Project through an expansion of the Common Project boundary.

Section II.F. Public Financing is amended by the addition of the following language:

Tax increment revenues of the Common Project may be used to fund public redevelopment activities, including property acquisition and related costs, in accordance with this Redevelopment Plan.