ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
AGENDA
7:00 P.M.
TUESDAY, MAY 14, 2019
COUNCIL CHAMBERS

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1. MEETING CALLED TO ORDER

2. MICROPHONE CHECK:

3. ROLL CALL: Selman, Murphy, Backen, Blonigan, President Rogan

4. CONSENT AGENDA:
Pursuant to REDA policy, one motion, non-debatable, will approve the recommendation noted. Any member of the REDA Board may ask for an item to be taken from the Consent Agenda for discussion and separate action. Such items removed from the Consent Agenda shall be considered immediately following approval of the balance of the Consent Agenda:

   A. **Motion** to approve and order placed on file minutes of the following:
      - **Regular Meeting Minutes** of April 9, 2019…………………… **2-4**

   B. **Motion** to approve **Disbursement Requests** for period ending May 14, 2019……………………………………………………... **5**

5. PUBLIC HEARINGS:
   A. None scheduled.

6. OLD BUSINESS:
   A. Modification of Project 2000-9 TIF District…………………………….. **6-29**

7. NEW BUSINESS:
   A. None scheduled.

8. OTHER BUSINESS:
   A. None scheduled.

9. INFORMATION ONLY:
   A. Project Update………………………………………………………. **30**

10. REDA GENERAL COMMUNICATIONS

11. ADJOURNMENT

Marcia E. Glick

Marcia Glick, Executive Director

AGENDA ITEM #4A
May 14, 2019

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
MEETING MINUTES
TUESDAY, APRIL 9, 2019
COUNCIL CHAMBERS

CALL TO ORDER:

1. The Robbinsdale Economic Development Authority (REDA) meeting was called to order by President Rogan at 7:00 p.m.

MICROPHONE CHECK:

2. Complete.

ROLL CALL:

3. Members Present: Blonigan, Murphy, Backen, Selman, President Rogan
Members Absent: None
Staff Present: Marcia Glick, Executive Director
Ron Batty, EDA Attorney

#4A-E CONSENT AGENDA:

4. **MOTION** by Member Blonigan, seconded by Member Backen to approve and place on file the Consent Agenda Items #4A-E:
   A. Motion to approve and order place on file minutes of the following:
      - **Regular Meeting Minutes of March 12, 2019**;

   B. Motion to approve **Disbursement Requests** for period ending April 9, 2019;

   C. Motion to authorize the Executive Director to execute the **First Amendment to Contract for Private Development with ProMeals, LLC** extending completion date to September 30, 2019;

   D. Motion to adopt Resolution Authorizing An **Interfund Loan for Advance of Certain Costs in Connection with Tax Increment Financing District No. 14**;

   E. Motion to authorize the Executive Director to execute the **1st Amendment to Lease for Salon HALO** extending the lease through June 30, 2024.

All were in favor and the motion carried.

#5: PUBLIC HEARINGS:

5. None scheduled.

#6A: OLD BUSINESS: Redevelopment Agreement 3600-3650 France Ave N:

6. Glick reviewed the staff report noting the key points of the agreement.

7. Board members asked for clarification on the acquisition of the former West Broadway right-of-way, potential groundbreaking October 2019, and 14 months of construction.

8. Glick noted the project increased to $7.5M, pay as you go. The units will be at the upper end of market rate housing. Confirmed with Jason Aarsvold that the project meets the 'but for' test. Assistance gets the developer back to a similar return from original agreement. Typical assistance is 5-20% in TIF; this one is 15%assistance. Look-back provision helps to confirm assistance needed.

9. **MOTION** by Member Selman, seconded by Member Backen to authorize the Executive Director to execute the Development Agreement with Parker Station Flats LLC (Inland Development Partners LLC, Managing Partner) including terms described in the memo.

10. Member Blonigan noted that this is an amazing new addition to Robbinsdale, 197 unit apartment building approaching luxury status.

11. President Rogan noted that the project is expensive. It will have great curb appeal, underground parking, and great amenities.

12. **All were in favor and the motion carried.**

#6B: OLD BUSINESS: Sale of 3760 Lee Ave N:

13. Glick reviewed the staff report and showed some pictures of site plans of water plants in other Minnesota cities. Details are hard to guess before the plans are ready. Our goals are to have friendly windows that have a residential feel; parking and entrance in the back of the building; want to hide the silos. Entrance on 38th Ave okay, consideration of solar panels.

14. Member Selman read comments/concerns he received from residents: make it look less institutional; soft lighting above building and the opportunity for a community area similar to the Lee Park building. Would like camera coverage, motion activated lighting. Dark brown with pitched roof for solar panels. Minimal signage in front and back of building. Suggested Robbinsdale Water Works as a possible name.

15. Consensus of the Board is to hold the public hearing on June 11, 2019; notification area to cover 36th to 39th on Noble and Lee Avenues; public hearing notice to include contact information for staff for comments if unable to attend. Include pictures of possible designs.

#6C: OLD BUSINESS: Downtown Mural Proposal:

16. Glick presented the staff report and reviewed the progress of funding for the project. Reported the donations received. Grant funds are available for the project.

17. Consensus of the Board is to direct staff to move forward with artist on the project.

#8A: OTHER BUSINESS: Insurance Renewal - Waiving the Statutory Tort Liability Limits:

18. Glick reviewed some items that are litigious but are not part of the EDA so no increase in insurance is necessary.

19. **MOTION** by Member Blonigan, seconded by Member Murphy to direct the Executive Director to execute the appropriate documents related to the 2019-2020 insurance renewal which will not include a waiver of the municipal tort liability limits and not involve the purchase of extra coverage.
All were in favor and the motion carried.

#9A: Information Only: Project Update

20. Glick gave a quick recap of various projects outlined in the report.

#10: REDA General Communications

21. Member Murphy commented on the graffiti under the Highway 100 bridge on the Brooklyn Center side. Clarified storage pod requirements.

22. Member Selman noted the EGGstravaganza Event on Saturday, April 13 2019 at City Hall at 1:00 p.m. for children 9 and under. Rain or shine event.

    He identified a trip hazard that needs repair at curb/sidewalk on Hubbard Ave on the church side.

    He noted that Chaska has an iron work fence with 'Chaska' in black metal on Highway 212 bridge. Consider branding location here in Robbinsdale.

23. Member Blonigan thanked Salon HALO for renewing their lease.

#11: ADJOURNMENT:

24. **MOTION** by Member Selman, seconded by Member Backen to adjourn the meeting at 7:54 p.m.
All voted in favor and the motion carried.

Marcia Glick, Recording Secretary

Dan Rogan, REDA President

AGENDA ITEM #4B
May 14, 2019

CONSENT AGENDA: Disbursement Requests for period ending May 14, 2019

This information will be distributed at the meeting.

AGENDA ITEM #6A
May 14, 2019

Old Business: Modification of Project 2000-9TIF District

Background

The REDA established Project 2000 on September 12, 1995 and the Redevelopment Plan for spot redevelopment of single family home sites. Within this framework, a series of Tax Increments have been created 2000-1 through 2000-9. In the interim the REDA acquires blighted properties and certifies by resolution the intent to include those properties in a future TIF district so that the sites may be cleared.

Project 2000-9 was established in 2017 and initially included 3905 Quail and 3912 Quail. At the February 12, 2019 meeting, REDA authorized preparing an amendment to this district to add 3359 Halifax.

ANALYSIS/CONCLUSION:

The Tax Increment Financing Plan for TIF District No. 2000-0 is included as **Attachment 1.** The property to be added to the TIF District 2000-9 is:

- 3359 Halifax Ave N

The plan will be modified to include both budget modifications with the addition of the new parcel and financial detail required by the State Auditor.

The estimate of captured tax capacity for this district original and with modification:

	Original (2019)	Modified (2020)
Net Tax Capacity on January 2, 2019/2020	$5,000	$8,590
Original Tax Capacity	$1,225	$2,025
Captured Net Tax Capacity	$3,775	$6,565

The new property will use January 2, 2019 for original valuation.

A public hearing has been scheduled for May 21, 2019 for City Council adoption of the Modified TIF district.

RECOMMENDATION:

Motion to approve "A RESOLUTION ADOPTING A MODIFIED TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 2000-9"
(Attachment 2)

Marcia Glick, Executive Director

MODIFIED TAX INCREMENT FINANCING PLAN

TAX INCREMENT FINANCING DISTRICT NO. 2000-9

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY

Original Plan – March 14, 2017
Modified Plan – May 14, 2019

THIS INSTRUMENT DRAFTED BY:

KENNEDY & GRAVEN, CHARTERED
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

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Exhibit A-1	Map of Two Parcels in Original Plan
Exhibit A-2	Map of Parcel Added in Modified Plan
Exhibit B	Address and PID of Parcels in TIF District
Exhibit C	Financial Details of Modified Plan

MODIFIED TAX INCREMENT FINANCING PLAN FOR TIF DISTRICT NO. 2000-9

A. Definitions

For the purposes of the modified Tax Increment Financing Plan for Tax Increment Financing District No. 2000-9, the following terms shall have the meanings specified below, unless the context otherwise requires:

"Administrative expenses" means all expenditures of REDA other than amounts paid for the purchase of land; amounts paid to contractors or others providing materials and services, including architectural and engineering services, directly connected with the physical development of real property in the Project; relocation benefits paid to or services provided for persons residing or businesses located in the Project; amounts used to pay principal or interest on, fund a reserve for, or sell at a discount bonds issued pursuant to section 469.178 of the TIF Act; or amounts used to pay other financial obligations to the extent those obligations were used to finance costs associated with land acquisition or relocation benefits or services. Administrative expenses include amounts paid for services provided by bond counsel, fiscal consultants and planning or economic development consultants;

"City" means the city of Robbinsdale, a municipal corporation under the laws of Minnesota;

"City Council" or "Council" means the Robbinsdale city council;

"Comprehensive Plan" means the City's objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and water within the City;

"County" means Hennepin County, Minnesota;

"EDA Act" means Minnesota Statutes, sections 469.090 through 469.108, as amended;

"HRA Act" means Minnesota Statutes, sections 469.001 through 469.047, as amended;

"REDA" means the Robbinsdale Economic Development Authority, a public body corporate and politic under the laws of Minnesota;

"Redevelopment Project 2000" or "Project 2000" or "Project" means the redevelopment project established by REDA in 1995 pursuant to the HRA Act and EDA Act and in which TIF District Nos. 2000-1, 2000-2, 2000-3, 2000-4, 2000-5, 2000-6, 2000-7, 2000-8 and 2000-9 are located.

"Redevelopment Project Plan" or "Redevelopment Plan" means the Plan for Redevelopment Project 2000 which was adopted by REDA in 1995 pursuant to the HRA Act and has been modified from time to time thereafter, most recently in 2009.

"School District" means the Robbinsdale school district, Independent School District No. 281;

"State" means the State of Minnesota;

"Tax Increment Bonds" means any general obligation or revenue tax increment bonds issued by REDA or the City to finance the public costs associated with Redevelopment Project 2000 as stated in the Plans for TIF District Nos. 2000-1, 2000-2, 2000-3, 2000-4, 2000-5, 2000-6, 2000-7, 2000-8 or 2000-9 or any obligations issued to refund any Tax Increment Bonds;

"Tax Increment Financing Act" or "TIF Act" means Minn. Stat., sections 469.174 through 469.1799, as amended;

"Tax Increment Financing District" or "TIF District" means Tax Increment Financing District No. 2000-9, which was created and established in 2017 within Redevelopment Project No. 2000 and which is hereby being modified pursuant to the TIF Act; and

"Tax Increment Financing Plan" or "TIF Plan" means this Plan for TIF District No. 2000-9, which is being modified pursuant to the TIF Act and EDA Act.

B. Statutory Authority. The statutory authority for the undertaking of a redevelopment project in Project 2000 and the activities outlined in the Redevelopment Plan is conferred upon REDA pursuant to the EDA Act and the HRA Act. Specifically, section 469.027 of the HRA Act establishes the requirements for the Redevelopment Plan adopted by REDA in 1995 prior to undertaking property acquisition, relocation, redevelopment, rehabilitation, and related public improvements. REDA, which is an economic development authority established under the EDA Act, is utilizing its powers as a housing and redevelopment authority under the HRA Act with regard to Redevelopment Project 2000.

Pursuant to section 469.175, subd. 4 of the TIF Act, REDA is authorized to establish tax increment financing districts to facilitate and provide financing for the development objectives articulated in the Redevelopment Plan. REDA previously established and operated and is hereby modifying TIF District No. 2000-9 pursuant to the TIF Act, the HRA Act and the EDA Act. REDA also operates TIF District Nos. 2000-1, 2000-2, 2000-3, 2000-4, 2000-5, 2000-6, 2000-7 and 2000-8 within the Project.

C. Statement of Objectives. REDA seeks to achieve the following objectives through the establishment and modification of TIF District No. 2000-9:

1. remove structurally substandard buildings which tend to have a blighting effect on nearby properties;
2. encourage redevelopment of residential areas of the community which have not been utilized to their full potential;
3. expand housing options available to persons wishing to relocate within the City or wishing to move to the City;
4. improve the tax base of Robbinsdale and the general economy of the City and State;
5. provide employment opportunities within the community; and
6. implement relevant portions of the Comprehensive Plan.

REDA's specific purpose in establishing and modifying TIF District No. 2000-9 is to permit the demolition and removal of structurally substandard single family houses and their replacement with new single family dwellings. Scattered around the City are single family and other residential structures which are in very poor physical condition, are very small (including ones which were not intended as permanent dwellings) and ones which are functionally obsolete. These dwellings have relatively low market values due to their size or condition and because they do not provide the type of housing desirable today. They also have a blighting influence on surrounding properties. Especially when not properly maintained, these properties act as a disincentive for the owners of nearby properties to expand, improve or even maintain their own homes. REDA's experience over a long period of time with many such houses strongly suggests that these properties, if left alone, will tend to depress property values within a neighborhood and will encourage the spread of blight.

History indicates that the private sector is not well equipped to address this problem. Even though the value of such properties may be discounted due to their poor condition, the cost of land acquisition and demolition of existing structures almost always significantly exceeds the price of vacant land elsewhere. Without public intervention, such structures tend to remain in place and deteriorate.

By demolishing the structures on such properties, REDA intends not only to remove the blighting influences caused by such dwellings, but also provide expanded housing opportunities. As a fully developed community, Robbinsdale offers few opportunities for the construction of new housing. Many of the city's single family dwellings are of an age and size that lack features common in newer construction and which homeowners today have come to expect. The number of larger homes is also limited within Robbinsdale. As a result, there are few opportunities within the City for growing families or for people who want to purchase "move up" housing. Many such families find they have no choice but to leave Robbinsdale, severing ties with neighbors, schools and other community organizations. By clearing sites of structurally substandard housing, REDA will also be making sites available for the construction of newer and larger housing which will diversify the available stock within the community. REDA believes this is of vital importance in preserving the City's tax base, offering a wider range of housing options and arresting the spread of blight in the community.

REDA has long experience in redeveloping outdated single family and other residential structures and believes the results are strongly positive. REDA began its original scattered site housing project in 1968 and operated it with great success until the termination of the district on April 1, 2001. Since then nine similar but smaller districts have been established. The result of each of these efforts has been an increase in the quantity and quality of the available housing stock, both directly through the program and through the spin-off effect on surrounding neighborhoods.

The activities specified in the TIF Plan do not preclude REDA from engaging in other qualified redevelopment activities over the life of the TIF District. Additional activities and additional expenditures will be included in amendments to the TIF Plan if required by the TIF Act.

D. Statement of Public Purpose. In adopting the modified Plan for TIF District No. 2000-9, REDA will make the following findings:

1. Anticipated residential redevelopment would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and, therefore, the use of TIF is deemed necessary. REDA is convinced this to be the case through its long experience and inability to induce private developers to invest the time and capital necessary to provide single family houses on previously developed parcels without public assistance.

2. The TIF Plan will afford maximum opportunity, consistent with the sound needs of the community as a whole, for residential redevelopment within the Redevelopment Project by private enterprise. REDA has reason to be optimistic that the success of past efforts to encourage scattered site single family redevelopment will continue with TIF District No. 2000-9.

3. The TIF Plan conforms to general plans for development of Robbinsdale as a whole, because the Redevelopment Project and TIF District No. 2000-9 are fully consistent with the City's Comprehensive Plan, as determined by the Robbinsdale planning commission.

4. The areas included within TIF District No. 2000-9, including the property added in this modification, qualify as a redevelopment TIF district within the meaning of the TIF Act.

The conclusions to be reached by REDA regarding the above are based upon the reports prepared by staff following an interior inspection of each building, the recommendations of the REDA staff as well as the familiarity of members of REDA's board of commissioners with the properties involved and the likelihood that those properties will develop within the reasonably foreseeable future solely through private efforts.

Two properties qualified originally for inclusion in TIF District No. 2000-9 based upon an individual review of the internal conditions of the principal structures existing on the lots. A third property is being added through this modification. Staff viewed the houses on all parcels from the inside and outside and determined the principal buildings to be structurally substandard within the meaning of the TIF Act. Reports detailing those conditions have been produced in written form and will be retained by REDA for the duration of TIF District No. 2000-9.

The property being added to TIF District No. 2000-9 as a result of this modification is located at 3359 Halifax Avenue North. The single family house on the property was severely damaged by fire, rendering the building structurally substandard. REDA has previously adopted a resolution pursuant to section 469.174, subd. 10(d) of the TIF Act.

REDA has determined that the use of TIF is essential if property within the TIF District is to be redeveloped. Pursuant to section 469.175, subd. 3 of the TIF Act, REDA has determined that "but for" the use of tax increment no redevelopment would occur. This conclusion is based on the continuation of the historical reality that current market values would remain the same or decline without tax increment because there would be no development or redevelopment and the sites would continue to deteriorate. The market values likely to occur after redevelopment of the sites with new single family dwellings through the use of tax increment, even when discounted by the stream of increment used to assist the development of the sites, will be higher than the values likely to result if tax increment assistance is not offered.

E. Redevelopment Project Plan. REDA adopted a Redevelopment Plan for Redevelopment Project 2000 in 1995 at the time of adoption of the plan for TIF District No. 2000-1. In 1998, REDA approved tax increment plans for TIF District Nos. 2000-2 and 2000-3. REDA approved the tax increment plan for TIF District No. 2000-4 in 2001 and the plan for TIF District No. 2000-5 in 2004. The TIF Plan for TIF District No. 2000-6 was approved in 2007. The TIF Plan for TIF District No. 2000-7 was approved in 2009 and modified in 2010. The TIF Plan for TIF District No. 2000-8 was approved in 2014 and modified in 2015 and again in 2016. REDA approved the tax incremental plan for TIF District No. 2009 in 2017 and is hereby modifying the plan. REDA modified the Redevelopment Plan most recently in 2009 but only for the purpose of expanding the boundaries of the Project area. The plan for development of the community outlined in the Redevelopment Plan, as amended, continues to provide the basis of REDA's efforts to develop portions of the community which have not and remain unlikely to be redeveloped solely through private efforts. The modified Plan for TIF District No. 2000-9 remains fully consistent with the amended Redevelopment Plan for Redevelopment Project 2000.

F. Description of TIF District. A map showing the boundaries of the Redevelopment Project and the locations of the original two properties is attached as Exhibit A-1 and a map of the one property hereby added to TIF District No. 2000-9 is attached to the TIF Plan as Exhibit A-2. The street addresses and property identification numbers of the three parcels within modified TIF District No. 2000-9 are attached as Exhibit B.

G. Redevelopment Project Contracts. REDA has not yet entered into a redevelopment contract with regard to the property hereby added to the TIF District. Contracts regarding the properties within TIF District No. 2000-9 will be entered into in accordance with section 469.176, subd. 5 of the TIF Act. All contracts will be approved by REDA prior to becoming effective.

H. Classification of TIF District. TIF District No. 2000-9 qualifies as a redevelopment TIF district, pursuant to section 469.174, subd. 10 of the TIF Act. This classification is based on reports prepared by REDA staff regarding the physical condition of the principal structures on the parcels within the TIF District. All of the parcels contained a principal building which was structurally substandard and were considered to be improved within the meaning of the TIF Act. Written reports containing these facts and analyses are in the possession of REDA and will be retained for the life of the TIF District.

Due to the poor physical condition of the structures on the two parcels originally included within TIF District No. 2000-9, REDA adopted a resolution pursuant to Minnesota Statutes, section 469.174, subd. 10(d) prior to demolition. The buildings were subsequently demolished and the properties were included in a tax increment district within three years. The property being added in this modification was the subject of a similar resolution due to the dangerous condition of the house located thereon and may or may not be demolished prior to certification of the modified TIF Plan.

None of the parcels, in whole or in part, qualified under Minn. Stat., Sections 273.111 or 237.112 or Chapter 473H for taxes payable in any of the five calendar years before filing for certification.

I. Modification of TIF Plan. The Plan for TIF District No. 2000-9 is hereby being modified and may be modified again in the future by REDA, provided that any enlargement of the geographic area of the TIF District, increase in amount of bonded indebtedness to be incurred, including a determination to capitalize interest on the debt if that determination was not a part of the original Plan, or to increase or decrease the amount of interest on the debt to be capitalized, increase in the portion of the captured tax capacity to be retained by REDA, increase in total estimated tax increment expenditures or designation of additional property to be acquired by REDA shall be approved upon the notice and after such discussion, public hearing and findings as required for approval of the original Plan.

As noted in the original Plan, REDA envisions the possibility of periodic expansions or additions to TIF District No. 2000-9 as additional properties in need of public assistance become available. These may be added to TIF District No. 2000-9 or new tax increment districts may be established within the Redevelopment Project as deemed appropriate by REDA.

J. Use of Tax Increment. Pursuant to section 469.176, subd. 4 of the TIF Act, all revenues derived from TIF District No. 2000-9 will be used in accordance with the TIF Plan. The revenues will be used to finance or otherwise pay the capital and administrative costs of development activities within the District as identified in the Redevelopment Plan and TIF

Plan. In general, tax increment will be used to acquire the identified properties, demolish structurally substandard buildings and construct minor infrastructure improvements incidental to redevelopment of the sites.

K. Excess Tax Increment. Pursuant to section 469.176, subd. 2 of the TIF Act, in any year in which increment exceeds the amount necessary to pay the costs authorized by the modified TIF Plan, REDA shall use the excess amount to do any of the following, in the order determined by REDA:

1. prepay the outstanding bonds or other obligations;

2. discharge the pledge of tax increment therefor;

3. pay into an escrow account dedicated to the payment of bonds or other obligations; or

4. return the excess amount to the County auditor who shall distribute the excess amount to the City, the County and the School District in direct proportion to their respective tax capacity rates.

REDA may also choose to modify the TIF Plan in order to provide for other public expenditures within the Project or District, in accordance with the TIF Act.

L. Limitation on Increment.

If, after four years from the date of certification of the original tax capacity of TIF District No. 2000-9, no demolition, rehabilitation, or renovation of property or other site preparation, including qualified improvement of a street or right-of-way adjacent to a parcel but not installation of underground utility service, including sewer or water systems, has been commenced on a parcel located within TIF District No. 2000-9 by REDA, or by the owner of the parcel in accordance with the TIF Plan, no additional increment may be taken from that parcel, and the original tax capacity of that parcel shall be excluded from the original tax capacity of the TIF District. If one of these activities subsequently commences, REDA shall so certify to the county auditor, and the tax capacity of the property as most recently certified by the commissioner of revenue may be added to the TIF District.

At least 75 percent of all revenue received from increment must be expended on activities within TIF District No. 2000-9 or to pay bonds to the extent that the proceeds of the bonds are used to finance activities within the District or to pay or secure payment of debt service on credit enhanced bonds. No more than 25 percent of increment may be spent outside of the TIF District. For this purpose, all administrative expenditures will be considered to have been spent outside of the TIF District. The requirements of section 469.1763, subd. 3 of the TIF Act must be satisfied in order for increment to be considered expended within the TIF District.

No tax increment shall in any event be paid to REDA from TIF District No. 2000-9 after 25 years after the date of receipt by REDA of the first increment.

With respect to the fiscal disparities election required under section 469.177, subd. 3 of the TIF Act, REDA chooses option (b).

M. Limitation on Administrative Expenses. Pursuant to section 469.176, subd. 3 of the TIF Act, administrative expenses are limited to 10 percent of the total estimated tax increment distributions authorized by the TIF Plan or the total tax increments as defined in section 469.174, subd. 25, clause (1) of the TIF Act, whichever is less.

N. Limitation on Boundary Changes. The geographic area of TIF District No. 2000-9 may be reduced, but cannot be enlarged after five years following the date of certification of the original tax capacity by the County auditor. The expansion occurring with this modification is within five years of certification of the original TIF Plan.

O. Relocation; Business Subsidy. Although no relocation is anticipated, REDA accepts as binding its obligations under state law regarding relocation benefits and services and, if necessary, it will administer relocation benefits and services for families and individuals displaced by public action.

Because it involves housing, the financial assistance which has been offered or will be offered by REDA in TIF District No. 2000-9 is exempt and is not considered a business subsidy under Minn. Stat., Section 116J.993, subd. 3 (7).

P. Parcels to Be Acquired Within the TIF District. All of the properties within TIF District No. 2000-9 have been acquired by REDA. REDA has demolished the structures, cleared the sites and sold the two lots included in the original TIF Plan to developers for redevelopment and intends to do the same with regard to the property being added through this modification.

Q. TIF Account. The tax increment received with respect to TIF District No. 2000-9 will be segregated by REDA in a special account on its official books and records and used for the purposes enumerated in the TIF Plan. Although REDA will not expend more in total tax increment than authorized by the TIF Plan, as it may be amended from time to time, the individual line items in the budget are estimates and may be exceeded.

R. Sources of Revenue; Estimate of Bonded Indebtedness. REDA does not currently intend to sell bonds to third parties to pay for the items budgeted in this TIF Plan. REDA intends to finance up-front costs through an interfund loan from its development account. On January 9, 2018, REDA adopted a resolution authorizing an interfund loan in an amount not to exceed $1,000,000. Expenses associated with TIF District No. 2000-9 have been paid from this loan. An amended interfund loan in an amount not to exceed $330,000 will be adopted at the time of adoption of this modified TIF Plan. Funds advanced by REDA through these interfund loans for the purchase of land and demolition of structurally substandard buildings will be reimbursed to REDA as increment is received from the new construction.

Costs of TIF District No. 2000-9 will be financed primarily through the collection of tax increment, land sales and interfund loans. REDA reserves the right to use other sources of revenue if available and appropriate. Although it is not currently REDA's intent to sell its general obligation or revenue bonds to pay for costs, REDA reserves the right to do so.

The estimated sources of funds for TIF District No. 2000-9 are shown below:

Sources of Funds	Original	Modified
Tax Increment - Land Sales	$ 49,000	$134,700
Tax Increment Distribution	$175,726	$356,668
Total Project Revenues	$224,726	$491,368

S. Use of Funds. The following costs are authorized for expenditure within modified TIF District No. 2000-9:

Use of Funds	Original	Modified
Land and Building Acquisition	$ 191,344	$ 234,559
Site Improvements and Preparation	$ 28,350	$ 60,526
Administrative Expenses	$ 22,473	$ 35,667
Interfund Loan Interest	$ 287,988	$ 160,615
(Less Adjust Expense to Maximum Increment Revenue)	$(305,429)	
TOTAL COSTS	$ 224,726	$ 491,368

Tax increment, land sales and interfund loan transfers are expected to be used for project costs and is a not-to-exceed budget rather than an expected budget of costs.

Estimated costs of TIF District No. 2000-9 are subject to change among categories without a modification of the TIF Plan.

The above expenditure and revenue estimates are based on the best information available at the time of adoption of the modified TIF Plan.

T. Original Net Tax Capacity and Tax Increment of Modified TIF District. Pursuant to section 469.177, subd. 1 of the TIF Act, the original net tax capacity of TIF District No. 2000-9 as modified herein is $2,025 based on pay 2018 taxes. Each year the County auditor will measure the increase or decrease in the total net tax capacity of property in the TIF district. Any year in which the net tax capacity of TIF District No. 2000-9 exceeds $2,025, increment will be payable to REDA. Any year in which the net tax capacity is below $2,025, no value will be captured and no increment will be payable to REDA.

Each year after the certification of the original net tax capacity, the County auditor will increase or decrease the original net tax capacity of property within TIF District No. 2000-9 as a result of:

1. change in the tax exempt status of the property;

2. reduction or enlargement of the geographic boundaries of the TIF District; or

3. reduction of valuation by means of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the Minnesota commissioner of revenue.

U. Duration of the TIF District. In accordance with section 469.176, subd. 1b of the TIF Act, REDA wishes to retain its right to receive TIF payments for the full statutory duration of the district, which means that no increment will be paid to REDA after 25 years after the date of the receipt of the first increment. The first increment is estimated to be received by REDA in 2019 which would mean that no increment would be paid after 2044. If the first increment is received earlier or later, the termination date of the TIF District will be adjusted accordingly.

V. Estimate of Captured Tax Capacity. Pursuant to sections 469.175, subd. 1 and 469.177, subd. 2 of the TIF Act, the estimated net captured tax capacity of modified TIF District No. 2000-9 will be $6,565 after January 2, 2020 for taxes payable beginning in 2021. The captured net tax capacity was estimated in the following manner:

	Original (2019)	Modified (2020)
Tax Capacity on January 2, 2019/2020	$ 5,000	$ 8,590
Original Tax Capacity	$ 1,225	$ 2,025
Captured Net Tax Capacity	$ 3,775	$6,565

Pursuant to section 469.177, subd. 2 of the TIF Act, it is found and declared that all of the captured net tax capacity generated by TIF District No. 2000-9 is necessary to finance or otherwise make permissible expenditures authorized by section 469.176, subd. 4 of the TIF Act.

REDA has reviewed the property being added to the TIF District in this modification and has determined that no building permits were issued by the City during the 18 month-period immediately preceding approval of the modified TIF Plan.

W. Estimated Impact on Other Taxing Jurisdiction. In is anticipated that $8,803 in increment will be captured annually within TIF District No. 2000-9. This increment amount is based on the value of the development on January 2, 2020 for taxes payable beginning in 2021. The composite tax capacity rate for the affected properties is currently 1.25 percent. Applying the percentage of the total tax capacity rate attributable to each taxing jurisdiction to the annual increment of $8,803 reveals the annual "loss" of tax dollars by each jurisdiction if the projects would have occurred without TIF. Although REDA believes the actual impact on other taxing jurisdictions is zero because development would not occur within the reasonably foreseeable future without public intervention, the assumed amount of tax dollars foregone by each jurisdiction is listed below:

"Lost" Tax Increment Attributable
to Various Taxing Jurisdictions After Modification

Taxing Jurisdiction	Tax Capacity Rate	% of Total Tax Capacity	Est. Tax Loss ($)
City of Robbinsdale	50.346	37.53%	3,303
Hennepin County	42.808	31.91%	2,809
Independent School District No. 281	31.957	23.82%	2,097
Others	9.052	6.75%	594
Total	134.163	100%	8,803

The cumulative tax increment to be collected within TIF District No. 2000-9 over the maximum life of the district is estimated to be $356,668. The present value of that stream of tax increment is $266,768. Additional details are provided on Exhibit C attached hereto.

X. Estimated Impact of District on City Services and County Roads. REDA has reviewed the probable impact of the development anticipated to occur in TIF District No. 2000-9 on City police services, fire services, storm sewer, sanitary sewer and water services and other municipal services and infrastructure. It is expected to be minimal due to the nature and scale of the development and because the new structures will replace previously existing ones.

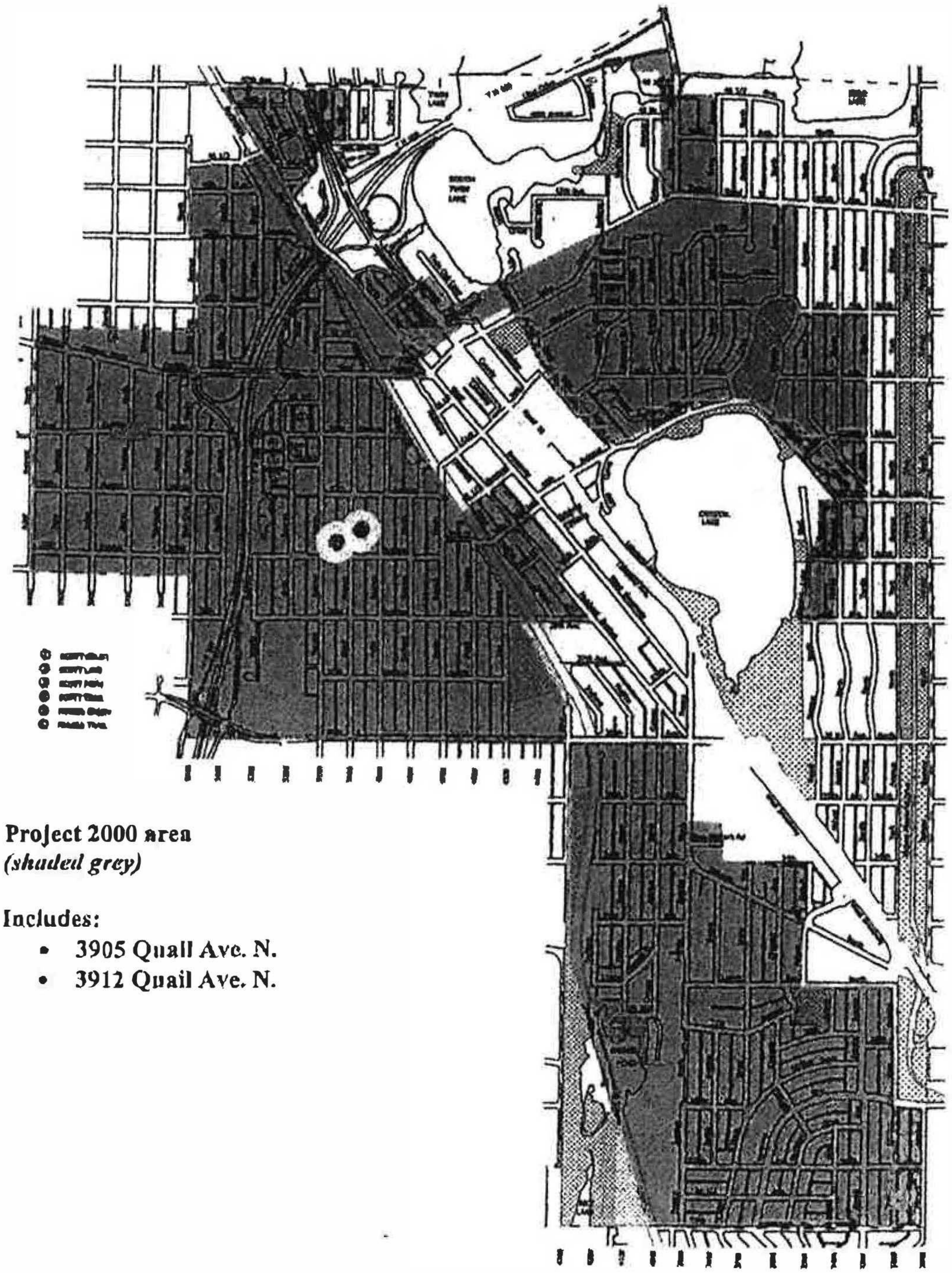
Because the development in TIF District No. 2000-9 is not expected to have any impact on County roads, the TIF Plan was not sent to the County 45 days prior to the public hearing.

Y. Annual Disclosure. Pursuant to section 469.175, subds. 5, 6 and 66 of the TIF Act, REDA must file an annual financial report regarding all of its TIF Districts, including TIF District No. 2000-9. The report must be filed by August 1 of each year with the School District, the County and the State auditor. The TIF Act also requires that an annual statement be published in a newspaper of general circulation in Robbinsdale on or before August 15.

EXHIBIT A-1

City of Robbinsdale

Redevelopment Project 2000 and Tax Increment Financing District 2000-9



Project 2000 area
(shaded grey)

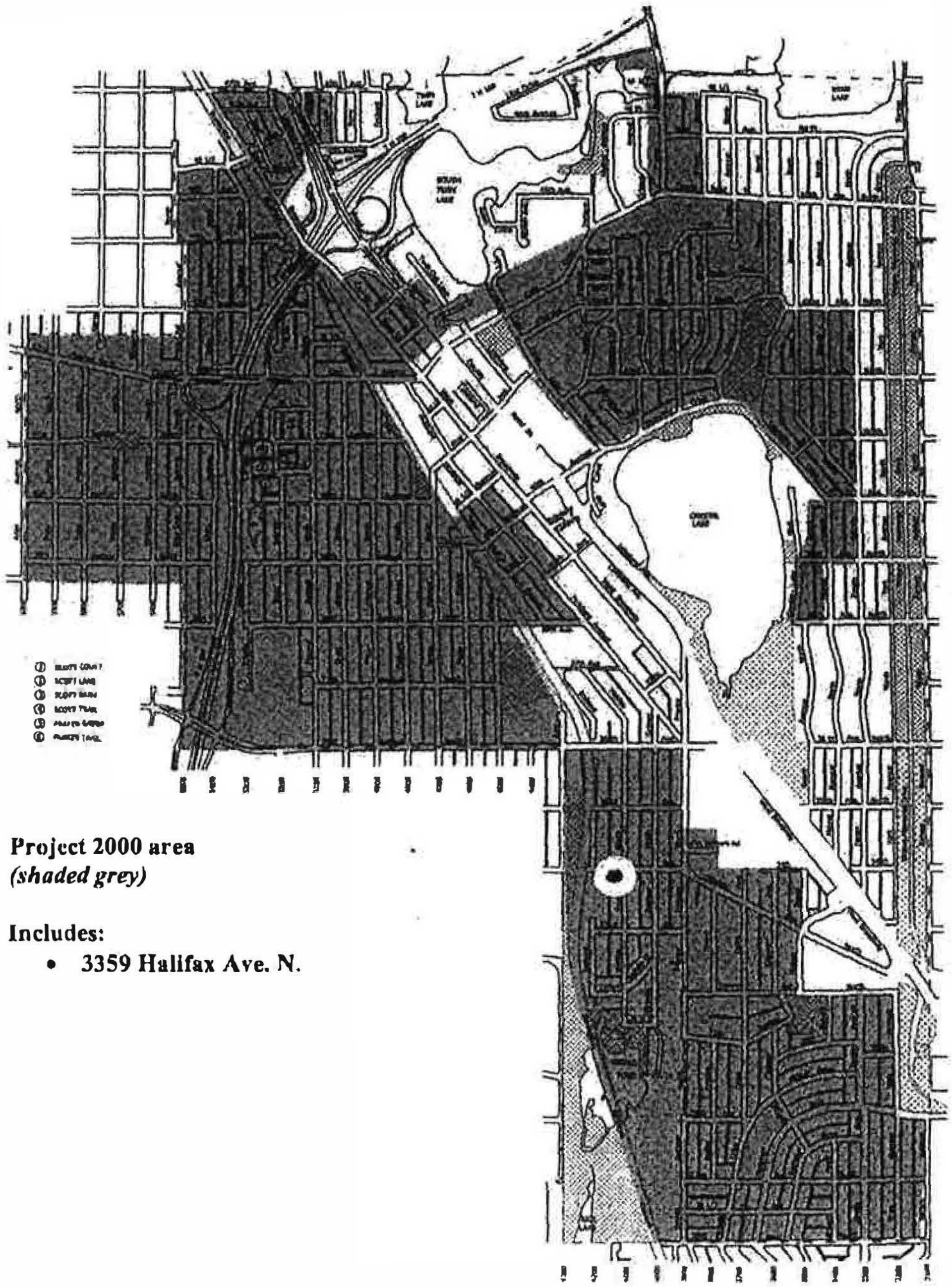
Includes:

- **3905 Quail Ave. N.**
- **3912 Quail Ave. N.**

EXHIBIT A-2

City of Robbinsdale

Redevelopment Project 2000 and Tax Increment Financing District 2000-9



Project 2000 area
(shaded grey)

Includes:

- **3359 Halifax Ave. N.**

EXHIBIT B

The following two properties were included in the original TIF District No. 2000-9:

Address	PIN
3905 Quail Avenue North	06-029-24-31-0095
3912 Quail Avenue North	06-029-24-31-0072

The following property was added to TIF District No. 2000-9 through this modification:

3359 Halifax Avenue North	07-029-24-14-0021

EXHIBIT C

REDA
TIF 2000-9 Information
Modification April 2019

		Pay 2018 TMV	Pay 2018 Tax Capacity	District to be established March 2017, use 1/2/17 Valuation estimates
Original Properties				
3905 Quail 06-029-24-31-0095		52,000	650	TC @ 1.25% non homestead
3912 Quail 06-029-24-31-0072		52,000	650	TC @ 1.25% non homestead
		104,000	1,300	
Properties added in 2019				
3359 Halifax 07-029-24-14-0021	NEW	58,000	725	
		162,000	2,025	

Budget		Original	Modified	Change	
Revenues:					
Tax Increment - Land Sales		49,000	130,500		80500+50000
Developer payment			4,200		(3040*135.668) lost increment
Tax Increment Distribution		175,726	356,668		
Additional tax increment for inflation	EST				
Interest		-			
Total Tax Increment Revenues		$224,726	$491,368		$491,368
Expenditures					
Land and Building Acquisition		191,344	234,559		
Site Improvement & Prep Costs		28,350	60,526		
Rehabilitation of structures		-			
Administrative Expenses - 10% of TIF Tax distribution	10%	22,473	35,667		
Interfund loan interest	Est	287,988	160,615	Balance of revenue available	
Less adjust expense to maximum increment revenue		(305,429)			
Total Expenditures		$224,726	491,368		$330,753
					$160,615
Likely Tax Increment Generated over Life of District:					
PV of Tax increments 2015 to End of District		$237,780	266,768	See TIF Proj	
Add:					
Total Tax Increment Projected		$237,780	$266,768		

			Annual Tax Loss
Tax Capacity Rates:			
City of Robbinsdale	50.346%	37.53%	$3,303
Hennepin County	42.808%	31.91%	$2,809
ISD No. 281	31.957%	23.82%	$2,097
Othe	9.052%	6.75%	$594
Total	134.163%	100.000%	$8,803

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REDA
TIF Analysis
Project 2000-9 Modification April 2019

8%

Projected Tax Increment Revenues over life of District generated from taxes

Tax Year	MKV	Tax Cap	Frozen Values MKV	Frozen Values Tax Cap	Available Tax Cap	Tax Increment	TIF PV	PV 2%	Year
2018	104,000	1,300	104,000	1,300	0	0	0	1.00000	1
2019	186,000	,325	16 ,000	2,025	300	402	395	0.98039	
0 0	440,000	5,500	16 ,000	2,025	3,475	4,66	4,481	0.96117	3
2021	859,000	8,590	16 ,000	2,025	6,565	8,808	8,300	0.94232	4
0 2	901,950	9,020	16 ,000	,025	6,995	9,384	8,669	0.92385	5
2023	947,048	9,470	162,000	2,025	7,445	9,989	9,047	0.90573	6
2024	994,400	9,944	162,000	2,025	7,919	10,624	9,434	0.88797	7
2025	1,044,120	10,441	162,000	2,025	8,416	11,291	9,830	0.87056	8
2026	1,096,3 6	10,963	162,000	2,025	8,938	11,992	10,235	0.85349	9
027	1,151,14	11,511	162,000	2,025	9, 86	12,727	10,650	0.83676	10
2028	1,208,699	12,087	162,000	2,025	10,062	13,499	11,074	0.82035	11
2029	1,269,134	12,691	162,000	,0 5	10,666	14,310	11,509	0.804 6	12
2030	1,332,591	13,326	162,000	2,025	11,301	15,162	11,955	0.78849	13
2031	1,399,220	13,992	162,000	2,025	11,967	16,056	12,411	0.77303	14
2032	1,441,197	14,412	162,000	,025	12,387	16,619	12,595	0.75788	15
2033	1,484,433	14,844	162,000	2,025	12,819	17,199	1 ,779	0.74301	16
2034	1,528,966	15,290	162,	2,025	13,265	17,796	1 ,964	0.72845	17
2035	1,574,835	15,748	162,000	2,025	13,7 3	18,41	13,149	0.71416	18
2036	1,6 2,080	16,221	162,000	2,0 5	14,196	19,046	13,335	0.70016	19
2037	1,670,74	16,707	162,000	,025	14,682	19,698	13,5	0.68643	20
2038	1,720,865	17, 09	16 ,000	,025	15,184	20,371	13,709	0.67297	21
039	1,772,491	17,725	162,000	2,025	15,700	21,063	13,897	0.65978	22
2040	1,825,665	18,257	162,000	2,025	16,232	1,777	14,086	0.64684	23
2041	1,880,435	18,804	16 ,000	2,0 5	16,779	2,512	14,276	0.63416	4
2042	1,936,848	19,368	162,000	2,025	17,343	23,269	14,467	0.6 17	25
Totals						356,668	266,768		

Assumptions:
Frozen tax capacity is not all at 1%, some properties are non-homestead at 1.25%
MKV Growth assumed to be 5% per year through 2031, then 3% per year
Tax Rate = 1.34163 (Pay 018 Rate)

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Attachment 2

Member ____________________ moved and Member ________________ seconded a motion that the following resolution be read and adopted this 14th day of May, 2019.

ROBBINSDALE ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 19-_____

A RESOLUTION ADOPTING A MODIFIED TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT FINANCING DISTRICT NO. 2000-9

Section 1. Recitals.

1.1. The Robbinsdale Economic Development Authority ("REDA") finds that there exist scattered throughout various residential areas of the community structurally substandard single family and other residential buildings which have a blighting influence on the surrounding area due to their poor physical condition, small size or functional obsolescence and which, because of those conditions, threaten the health, safety and welfare of the community.

1.2. REDA further finds there is a general lack of new and larger single family structures within the community, particularly those which offer features commonly found in new construction in the outer suburbs but which are lacking among the older housing stock commonly available within Robbinsdale. Such deficiencies make it difficult for many persons in need of larger housing due to an expanding family or who desire to live in larger or more comfortable housing to locate such accommodations within Robbinsdale.

1.3. It is in the public interest, helpful for the tax base and beneficial for the health, safety and welfare of the community as a whole to remove old, structurally substandard single family and other residential buildings and replace them on an in-fill basis with newer and larger single family housing.

1.4. Due to market conditions which exist today and are likely to persist for the foreseeable future, the private sector is not able to accomplish redevelopment of the type needed within Robbinsdale and, therefore, such will not occur without public intervention.

1.5. In order to foster the redevelopment described above, REDA adopted the Redevelopment Plan for Redevelopment Project 2000 (the "Project") on September 12, 1995 covering the portion of the community in which the described conditions exist and prepared a plan (the "Redevelopment Plan") pursuant to Minnesota Statutes, sections 469.001 through 469.047 (the "HRA Act") to implement the goals and objectives summarized above. In 2009, REDA modified the Redevelopment Plan to expand the boundaries of the Project.

1.6. REDA also determined that, among others, a source of funds to finance the Project is tax increment and has previously authorized establishment of nine tax increment financing districts within the Project, including Tax Increment Financing District No. 2000-9 ("TIF District No. 2000-9"), which was established in 2017.

1.7. REDA has now determined to modify the tax increment financing plan (the "TIF Plan") related to TIF District No. 2000-9. The modified TIF Plan adds one parcel to TIF District No. 2000-9, modifies the budget and continues to outline the plan for expenditure of public funds to achieve the goals and objectives of the Project and the Redevelopment Plan, all pursuant to Minnesota Statutes, sections 469.174 through 469.179 (the "TIF Act").

1.8. Pursuant to authorization by REDA, a document entitled "Modified Tax Increment Financing Plan, Tax Increment Financing District No. 2000-9, Robbinsdale Economic Development Authority", dated May 14, 2019, has been prepared by staff and submitted for review by REDA.

Section 2. Modified Tax Increment Financing Plan Approval.

2.1. REDA has reviewed the modified TIF Plan. REDA finds that the objectives of encouraging residential redevelopment within the Project will be advanced by the addition of one additional property containing a structurally substandard building to TIF District No. 2000-9 and the adoption of the modified TIF Plan.

2.2. The modified TIF Plan is hereby adopted by REDA. The expanded boundaries of TIF District No. 2000-9 are as described and depicted in the modified TIF Plan.

2.3. It is noted that the property hereby added to TIF District No. 2000-9 contains a principal building which is structurally substandard and which qualifies for inclusion within a scattered site redevelopment tax increment financing district.

2.4. The structure on the property being added to TIF District No. 2000-9 was severely damaged by fire, leaving it in a hazardous condition. REDA previously adopted a resolution pursuant to section 469.174, subd. 10(d) of the TIF Act in the event the building required demolition prior to its inclusion within a tax increment financing district.

Section 3. Further Proceedings.

3.1. It is noted that copies of the modified TIF Plan were transmitted to the board of Independent School District No. 281 and the board of commissioners of Hennepin County for review and comment and that said public bodies have been notified of the public hearing to be held thereon by the Robbinsdale city council.

3.2. REDA requests the Robbinsdale city council to hold a public hearing on the modified TIF Plan as soon hereafter as is practicable and recommends that the modified TIF Plan be approved by the city council.

The question was on the adoption of the resolution and upon a vote being taken thereon, the following voted in favor thereof:

And the following voted against the same:

WHEREUPON SAID RESOLUTION WAS DECLARED DULY PASSED AND ADOPTED THIS 14th DAY OF MAY, 2019.

Dan Rogan, President

ATTEST:

Marcia Glick, Executive Director

AGENDA ITEM #9A
May 14, 2019

INFORMATION ONLY: Project Updates

ADDRESS	COMMENTS
Twin Oak cul-de-sac *(Beckmann)*	4316 Twin Oak Lane: pouring basement floor soon. 4312 Twin Oak Lane: Working on basement. 4315 Twin Oak Lane – last lot. REDA retains a mortgage on this lot until work starts.
3807 Major *(Hyland)*	TIF 2000-8. Homeowners moved in 12.16.17. Delay on exterior completion. Certificate of Completion held pending final exterior inspections expected 5/10.
4629 France *(Carlyle)*	Owners have moved in. Certificate of Completion being held pending completion of landscaping in summer.
4524Regent *(Peterson)*	Getting ready for final inspections – exterior appears to need some final painting. Home listed at $429,900. Landscaping to be completed in summer.
3912 Quail *(Beckmann)*	TIF 2000-9. 1 year extension w/payment of lost TIF. Permit issued – not started yet. Completion 12/31/2019
3905 Quail *(Beckmann)*	TIF 2000-9. Home has been sold. Title company holding escrow for: final grade, sod, driveway, sidewalk spring/summer.
3359 Halifax	Demo bid awarded. **Public hearing 6.11.19.**
3606 Lake Drive	Considering Park option - **2020.**
4136 Regent – Garages *(Pendergast)*	TIF Project 8: Mortgage payments for acquisition started 6/2016.
39xx W. Broadway	Property is tax exempt pending redevelopment.
37xx W Broadway- Birdtown Flats *(Bill Beard)*	Anticipating move in this fall – exterior taking shape - TIF note when completed.
3650 France *(Inland)*	Authorized sale to Inland Development Partners. Sale expected end of June/July after completion of other requirements.
3600 France *(Inland)*	Property closed April 30. May 21: City Council 1st readings of old West Broadway right-of-way vacation, title transfer of remnant parcels, demo authorization after tenants have vacated. Expect October construction start. February 2021 occupancy.
MNDOT Misc. (lots to acquire)	1. Vera Cruz between 41 & 42. 2 buildable lots available. 2. 42xx Toledo-lot on new street/new alley – appraisal requested 3. Easement Only – aging title commitment – on hold:38th & Vera Cruz
3760 Lee	Possible sale to City for water treatment plant. **Public hearing 6.11.19.**
3108-12 Grimes; 4212 Grimes	Holding.
4364 Grimes	Neighbors maintaining
OPEN TO BUSINESS	Office Hours even numbered months. 1st Wednesday 9:30-11:30 a.m. Multi-year contract with ability to cancel.
4205 W Broadway BP Station	Paving May/June dependent on weather. Hold pending future redevelopment.
4614 41 ½ Ave N *(Soul Brothers)*	Building leased through 9/30/19.
Terrace Redevelopment TIF Agt.	First TIF partial payment available 8/1/19. TIF Note action not yet taken.
4165 Hubbard *NSide Oriental Mkt*	Lease payments on schedule.
4501 Orchard	REDA has right to review plans for through 2028. Potential buyer's title agent inquired. Advised of need for REDA to review plans. No call back.
4131-35 W Broadway (Travail)	Metal framework complete; working on exterior. Deadline September 30, 2019
Lions Gym Façade loan	Projects completed–forgiven after 10 years (January 2022)
EMI Rehab Façade loan	Projects completed –forgiven after 10 years (January 2022)
Wicked Wort – Façade loan	Project completed – forgiven after 10 years (December 2025)
Golden Age Design Façade loan	Project completed – forgiven after 10 years (December 2026)
Clare Housing TIF District	Pay-as-you-go TIF agreement.
Downtown/Plaza Project	2nd Mural for Ace Hardware- tracking down agreement for mural wall. July start.

Marcia E. Glick

Marcia Glick, Executive Director