

ROBBINSDALE
ECONOMIC DEVELOPMENT AUTHORITY
SPECIAL AGENDA
TUESDAY, JULY 5, 2016

Following the City Council Meeting which starts
at 7:00 P.M.

COUNCIL CHAMBERS

1. MEETING CALLED TO ORDER
2. MICROPHONE CHECK:
3. ROLL CALL: Rogan, Selman, Backen, Murphy, President Blonigan
4. NEW BUSINESS:
 - A. Consideration of Terrace Redevelopment TIF District
5. ADJOURNMENT

Marcia E. Glick

Marcia Glick, Executive Director



AGENDA ITEM # 44
July 5, 2016

New Business: Consideration of Terrace Redevelopment TIF District

Background

On April 8, 2014, the REDA developed a Developer Fee Policy which provided opportunity for developers to explore the potential viability of a site prior to formal application and also the fee and process for developing a tax increment financing plan. Kent Carlson, now part of Inland Development Partners, had submitted a fee for preliminary plan review last fall and through this process has been able to work with Ehlers for review of tax increment financing potential for projects and has been working with LHB on the investigation of the buildings related to blight analysis. As part of this process the REDA Executive Director required documentation of the condition of the theater building and projected cost for renovation.

With the application for the redevelopment project, staff has also received a request to proceed with preparation of a redevelopment district and tax increment financing plan for consideration by REDA. The \$10,000 payment is being held pending REDA Board approval.

Analysis

Inland Development Partners, LLC. (IDP) have indicated that they are \$2M to \$2.5M short of fund necessary to balance the budget for the project. The funds generated by tax increments would be available for reimbursing the developer as they come in (called pay-as-you-go). IDP expect that they would obtain private funding in the form of a loan which would be repaid via the increments generated. That is, REDA would not guarantee the amount of the TIF generated, but would agree to make the TIF proceeds available to the developer.

If the development was completed in 2017, tax increments would not be expected until 2019. Given the size of the gap, it is expected that, if approved, the Redevelopment TIF district would need to run the full 25 years. The REDA may be repaid for its upfront costs including interest.

The REDA's action directing staff to start the analysis and development of agreements is the first step as shown in the preliminary schedule in Exhibit 1. It is expected that the draft plan would be presented at the August 10th REDA meeting and a City Council public hearing on the proposed district would be at a special one-topic meeting on August 23rd.

RECOMMENDATION:

By motion, adopt the Resolution authorizing the staff and consultants to undertake preparation of Program and Tax Increment Plan for the 36th & France Housing Development.



Marcia Glick, Executive Director

EXHIBIT 1

TENTATIVE SCHEDULE FOR PLAN FOR
TERRACE MALL REDEVELOPMENT AREA

July 5, 2016	REDA adopts resolution authorizing creation of Program and Tax Increment Financing Plan for Terrace Redevelopment Area
July 7, 2016	Letter sent to county commissioner explaining project and inviting comments
July 8, 2016	Project information submitted to the County Board for review of county road impacts
July 22, 2016	Fiscal/economic implications to Scholl Board Clerk and County Auditor
August 10, 2016	REDA considers adoption of Redevelopment Project, Redevelopment Agreement, TIF plan, and public hearing on business subsidy, if required.
August 18, 2016	Planning Commission review for conformance with the Comprehensive Plan
August 23, 2016	City council holds public hearing for Redevelopment Project and TIF plan

Member _____ moved and Member _____ seconded a motion that the following resolution be read and adopted this ____ day of July, 2016.

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING PREPARATION
OF A PROGRAM AND A TAX INCREMENT FINANCING PLAN
FOR THE TERRACE REDEVELOPMENT AREA
TAX INCREMENT FINANCING DISTRICT**

WHEREAS, the Robbinsdale Economic Development Authority ("REDA") is authorized to prepare programs and operate projects designed to provide for redevelopment within the city of Robbinsdale; and

WHEREAS, REDA is authorized to utilize tax increment financing when it appears necessary and appropriate to do so to accomplish the above goal; and

WHEREAS, REDA has determined that it is in the vital best interests of the residents of Robbinsdale that REDA prepare a program (the "Program") for a redevelopment of the Terrace Mall Area and a plan (the "Plan") for a new Terrace Redevelopment Area Tax Increment Financing District in connection with its efforts to assist in the redevelopment of a blighted commercial area; and

WHEREAS, REDA has determined that the adoption of the Program and the Plan is necessary to advance the above goals and objectives and that the sites to be considered for inclusion in the Project Area and TIF District are the Terrace Mall and Terrace Theater.

NOW, THEREFORE, BE IT RESOLVED by the Robbinsdale Economic Development Authority as follows:

1. Staff and consultants are hereby authorized and directed to prepare the Program and the Plan.
2. The Executive Director of REDA is authorized and directed to schedule such meetings to consider adoption of the Program and the Plan as are necessary to approve same and to notify the county and school district thereof.

3. The staff and consultants are authorized and directed to take all steps necessary to bring the Program and the Plan before REDA at the scheduled meetings.
4. REDA urges the city council of the city of Robbinsdale to schedule a public hearing on the Program and the Plan to be held as soon after consideration of these matters by REDA as reasonably practicable.

The question was on 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 ____ DAY OF JULY, 2016.

William A. Blonigan, President

ATTEST:

Marcia Glick, Executive Director