EXECUTIVE SUMMARY

TITLE: Call for Public Hearing to Consider Establishment of the Wooddale Station TIF District

RECOMMENDED ACTION: Motion to Adopt Resolution calling for a public hearing on May 1, 2017 relative to the establishment of the Wooddale Station Tax Increment Financing District within Redevelopment Project No. 1 (a redevelopment district).

POLICY CONSIDERATION: Does the City Council wish to take the necessary steps to provide it the ability to consider creation of a tax increment district for the PLACE project?

SUMMARY: PLACE (“Developer”) proposes a major redevelopment at the southeast quadrant of Highway 7 & Wooddale Ave, and the northeast corner of W 36th Street & Wooddale Ave. The proposed project plans depict a mixed-use, mixed-income, transit-oriented, and environmentally sustainable development. The project’s financial pro forma exhibits a financial gap which precludes the project from proceeding. Accordingly, the Developer submitted an application for Tax Increment Financing (TIF) assistance. PLACE’s revised project plans and initial TIF request were reviewed at the February 13, 2017 Study Session where they received favorable support. The EDA/City Council also received a more in-depth staff report on PLACE’s TIF application at the March 13th Study Session.

FINANCIAL OR BUDGET CONSIDERATION: The cost to construct the proposed PLACE project is approximately $123 million. According to the analysis conducted by the EDA’s financial consultant, Ehlers, the residential portion of the project is not financially feasible due the high number of affordable units, corresponding restricted rents and related development costs. The project demonstrates a need for up to $5.66 million in tax increment assistance. Such assistance would be provided to reimburse a portion of the project’s $9.5 million in extraordinary site preparation costs. It is proposed that the EDA enter into a purchase and redevelopment contract with PLACE under which the Developer would be reimbursed for qualified site preparation costs up to $5.66 million in pay-as-you-go tax increment generated by the project for a 15 year term. That level of assistance is estimated to bring the housing portion of the project closer to financial feasibility to enable the overall project to proceed.

Setting a hearing date for the proposed Wooddale Station TIF District does not, in itself, authorize or commit the EDA/City to any level of TIF assistance for the proposed project. Procedurally it simply enables the City to hold a public hearing to consider the creation of the new TIF district. The EDA will have the opportunity to consider the precise amount of financial assistance along with other business terms at an April 3rd Special Study Session. Those terms will be incorporated into a purchase and redevelopment contract with PLACE which will be brought to the EDA for formal consideration the same evening as the proposed TIF district public hearing.

VISION CONSIDERATION: St. Louis Park is committed to providing a well-maintained and diverse housing stock.

SUPPORTING DOCUMENTS: Resolution
TIF Schedule

Prepared by: Greg Hunt, Economic Development Coordinator
Reviewed by: Michele Schnitker, Housing Supervisor/Deputy CD Director
Approved by: Tom Harmening, EDA Executive Director and City Manager
RESOLUTION NO. 17-____

RESOLUTION CALLING FOR A PUBLIC HEARING BY THE CITY COUNCIL ON THE PROPOSED ADOPTION OF A MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 1 AND THE PROPOSED ESTABLISHMENT OF THE PLACE TAX INCREMENT FINANCING DISTRICT THEREIN AND THE ADOPTION OF THE TAX INCREMENT FINANCING PLAN THEREFOR.

BE IT RESOLVED by the City Council (the "Council") for the City of St. Louis Park, Minnesota (the "City"), as follows:

Section 1. Public Hearing. This Council shall meet on May 1, 2017, at approximately 7:30 P.M., to hold a public hearing on the proposed adoption of a Modification to the Redevelopment Plan for Redevelopment Project No. 1, the proposed establishment of the PLACE Tax Increment Financing District, and the proposed adoption of a Tax Increment Financing Plan therefor, all pursuant to and in accordance with Minnesota Statutes, Sections 469.090 to 469.1082, and Sections 469.174 to 469.1794, inclusive, as amended, in an effort to encourage the development and redevelopment of certain designated areas within the City; and

Section 2. Notice of Public Hearing, Filing of Plans. City staff is authorized and directed to work with Ehlers to prepare a Modification to the Redevelopment Plan for Redevelopment Project No. 1 and a Tax Increment Financing Plan for the PLACE Tax Increment Financing District (collectively, the “Plans”) and to forward documents to the appropriate taxing jurisdictions including Hennepin County and Independent School District No. 283. The Economic Development Coordinator is authorized and directed to cause notice of the hearing, together with an appropriate map as required by law, to be published at least once in the official newspaper of the City not later than 10, nor more than 30, days prior to May 1, 2017, and to place a copy of the Plans on file in the Economic Development Coordinator's office at City Hall and to make such copy available for inspection by the public.

Reviewed for Administration:

Adopted by the City Council March 20, 2017

Thomas K. Harmening, City Manager

Jake Spano, Mayor

Attest:

Melissa Kennedy, Clerk
# SCHEDULE OF EVENTS

**ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY**  
AND THE CITY OF ST. LOUIS PARK  
HENNEPIN COUNTY, MINNESOTA

FOR THE MODIFICATION TO THE REDEVELOPMENT PLAN  
FOR REDEVELOPMENT PROJECT NO. 1  
AND THE ESTABLISHMENT OF THE  
PLACE TAX INCREMENT FINANCING DISTRICT  
(*a redevelopment district*)

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>March 20, 2017</td>
<td>Project information (property identification numbers and legal descriptions, detailed project description, maps, but/for statement, and list of sources and uses of funds) for drafting necessary documentation sent to Ehlers.</td>
</tr>
<tr>
<td>March 20, 2017</td>
<td>EDA requests that the City Council call for a public hearing.</td>
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<tr>
<td>March 20, 2017</td>
<td>City Council calls for a public hearing.</td>
</tr>
<tr>
<td>March 20, 2017</td>
<td>Ehlers confirms with the City whether building permits have been issued on the property to be included in the TIF District.</td>
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<tr>
<td>N/A</td>
<td>County receives TIF Plan for review for County Road impacts (at least 45 days prior to public hearing). <em>The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Because the City staff believes that the proposed tax increment financing district may require county road improvements, the TIF Plan will be forwarded to the County Board 45 days prior to the public hearing.</em></td>
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<tr>
<td>March 21, 2017</td>
<td>Letter received by County Commissioner giving notice of a potential redevelopment tax increment financing district (at least 30 days prior to publication of public hearing notice). [Ehlers will fax and mail on or before March 21, 2017]</td>
</tr>
<tr>
<td>March 31, 2017</td>
<td>Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing). [Ehlers will fax and mail on or before March 31, 2017.]</td>
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<tr>
<td>April 10, 2017</td>
<td>Ehlers conducts internal review of the Plans.</td>
</tr>
<tr>
<td>April 19, 2017</td>
<td>Planning Commission reviews Plans to determine if they are in compliance with City's comprehensive plan and adopts a resolution approving the Plans.</td>
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SCHEDULE OF EVENTS – PAGE 2

ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY
AND THE CITY OF ST. LOUIS PARK
HENNEPIN COUNTY, MINNESOTA

FOR THE MODIFICATION TO THE REDEVELOPMENT PLAN
FOR REDEVELOPMENT PROJECT NO. 1

AND THE ESTABLISHMENT OF THE
PLACE TAX INCREMENT FINANCING DISTRICT
(a redevelopment district)

April 20, 2017  Date of publication of hearing notice and map (at least 10 days but not more than 30 days prior to hearing). [Ehlers will submit notice & map to the St. Louis Park Sun Sailor on or before April 13, 2017 at sunlegals@ecm-inc.com]

May 1, 2017  EDA adopts a resolution approving the Plans.

May 1, 2017  City Council holds public hearing at 7:30 p.m. on a Modification to the Redevelopment Plan for Redevelopment Project No. 1, the establishment of the PLACE Tax Increment Financing District and passes resolution approving the Plans. [Ehlers will email Council packet information to the City on or before April 24, 2017]

May 2, 2017  City can issue building permits.

Ehlers requests certification of the TIF District from the state and county.

An action under subdivision 1, paragraph (a), contesting the validity of a determination by an authority under section 469.175, subdivision 3, must be commenced within the later of:

(1) 180 days after the municipality's approval under section 469.175, subdivision 3; or
(2) 90 days after the request for certification of the district is filed with the county auditor under section 469.177, subdivision 1.