EXECUTIVE SUMMARY

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

RECOMMENDED ACTION: Motion to Adopt EDA Resolution requesting the City Council to call for a public hearing relative to the establishment of the Wooddale Station Tax Increment Financing District within Redevelopment Project No. 1 (a redevelopment district).

POLICY CONSIDERATION: Does the EDA wish to take the necessary steps to provide for the ability to consider the 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 to 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 Council/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: EDA 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
ST. LOUIS PARK ECONOMIC DEVELOPMENT AUTHORITY
CITY OF ST. LOUIS PARK
HENNEPIN COUNTY, STATE OF MINNESOTA

EDA RESOLUTION NO. 17-_____ 

RESOLUTION REQUESTING THE CITY COUNCIL OF 
THE CITY OF ST. LOUIS PARK CALL FOR A PUBLIC HEARING ON 
THE MODIFICATION OF REDEVELOPMENT PROJECT NO. 1 AND 
THE ESTABLISHMENT OF THE PLACE TAX INCREMENT FINANCING DISTRICT.

BE IT RESOLVED, by the Board of Commissioners (the “Board”) of the St. Louis Park Economic Development Authority (the “EDA”) as follows:

WHEREAS, the City Council (the “Council”) of the City of St. Louis Park, Minnesota (the “City”) established Redevelopment Project No. 1 (the “Project”) pursuant to Minnesota Statutes, Sections 469.090 to 469.1082, inclusive, as amended (the “EDA Act”), in an effort to encourage the development and redevelopment of certain designated areas within the City, and transferred the administration of the Project to the EDA; and

WHEREAS, the EDA is proposing a modification of the Redevelopment Plan for the Project and the establishment of the PLACE Tax Increment Financing District within the Project, pursuant to and in accordance with the EDA Act and Minnesota Statutes, Sections 469.174 to 469.1794, as amended.

NOW, THEREFORE BE IT RESOLVED by the Board as follows:

1. The EDA hereby requests that the Council call for a public hearing on May 1, 2017 to consider the proposed adoption of a Modification to the Redevelopment Plan for the Project and the proposed adoption of the Tax Increment Financing Plan for the PLACE Tax Increment Financing District (collectively, the “Plans”) and cause notice of said public hearing to be given as required by law.

2. The EDA directs the Executive Director to transmit copies of the Plans to the Planning Commission of the City and requests the Planning Commission's written opinion indicating whether the proposed Plans are in accordance with the Comprehensive Plan of the City, prior to the date of the public hearing.

3. The Executive Director of the EDA is hereby directed to submit a copy of the Plans to the Council for its approval.

4. The EDA directs the Executive Director to transmit the Plans to the County and the School District in which the PLACE Tax Increment Financing District is located not later than March 31, 2017.

5. Staff and consultants are authorized and directed to take all steps necessary to prepare the Plans and related documents and to undertake other actions necessary to bring the Plans before the Council.
Reviewed for Administration: Thomas K. Harmening, Executive Director

Adopted by the Economic Development Authority
Anne Mavity, President

March 20, 2017

Attest:

Melissa Kennedy, Secretary
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)

March 20, 2017  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.

March 20, 2017  EDA requests that the City Council call for a public hearing.

March 20, 2017  City Council calls for a public hearing.

March 20, 2017  Ehlers confirms with the City whether building permits have been issued on the property to be included in the TIF District.

N/A  County receives TIF Plan for review for County Road impacts (at least 45 days prior to public hearing). *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.*

March 21, 2017  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]

March 31, 2017  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.]

April 10, 2017  Ehlers conducts internal review of the Plans.

April 19, 2017  Planning Commission reviews Plans to determine if they are in compliance with City's comprehensive plan and adopts a resolution approving the Plans.
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

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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.