



HF 806 and SF 1476

City of Edina seeks special legislation to modify typical TIF provisions to extend the 5-year rule and potentially extend the termination date of the 72nd & France #2 and 70th & France TIF Districts

Overview and Background

Special legislation is requested to provide additional time for private developers to invest over \$400 million into new commercial and multi-family residential buildings in Edina (District 50A). This same request was successfully passed out of committees in the 2024 Legislative Session (2024 HF 4942 and SF 5001).

In 2022 and 2023 respectively, the City established the 15-year 70th & France TIF Renewal District and the 25-year 72nd & France #2 TIF Redevelopment District (in accordance with MN Statute Sections 469.001 to 469.047 and 469.174 to 469.1794) to spur private investment of four outdated commercial properties along a busy commercial corridor. The projects are led by three local firms: Orion Investments, Afton Park Development and Mortenson Development.

The sites have been cleared and are in shovel-ready condition. The City pledged to reimburse the developers for a portion of the extra-ordinary development costs after completion of each phase.

Unfortunately, the capital markets have been hesitant to finance large ambitious real estate projects such as these. This hesitancy resulted in a 2-3 year delay in securing \$400+ million of private investment to fund these major mixed-use land improvements. This delay has used up 2-3 years of the typical 5-year TIF deadline.

HF 806 and SF 1476 provide additional time for the developers to secure private financing and for the City to possibly construct additional roadway improvements to serve bicyclists and pedestrians in this congested area. These bills also provide authority for the City, Schools and County to consider a future extension of the typical termination dates, if necessary due to increasing costs and circumstances unforeseen when the original TIF Districts were established.

Using TIF to Deliver Long-Term Benefits to the Community

Upon completion, the projects will deliver many benefits to the community, including:

- Increase property tax base/ market value by more than 6x at 7200 and 12x at 7001
- Replace blighted, vacant and outdated commercial buildings
- New full-time and part-time professional and service-industry jobs
- New rental housing at market rates
- New rental units that are permanently affordably-priced
- New utilities and stormwater improvements
- New roadways to relieve traffic from France Avenue
- New public parking to serve multiple sites
- New outdoor public plazas for the shared use of all people

Additional time is necessary to secure these community benefits.

72nd & France #2 District

5.2 acres

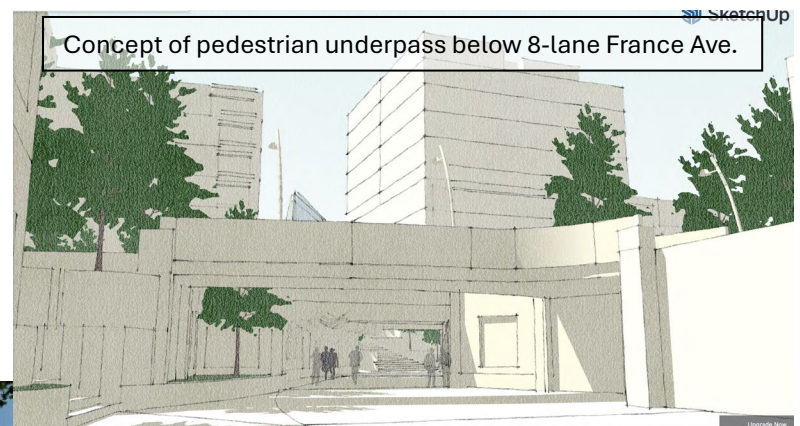
New Craftsman offices (under construction after 2-1/2 year delay)

New rental apartments (mixed-income)

New roads and utilities

New public plazas and green space

Potential for new pedestrian underpass to serve adjacent neighborhoods



70th & France District

5.8 acres

New offices

New rental apartments

New roads and utilities

New public plazas

New public parking

