



October 9, 2025

Edina Public Schools
5701 Normandale Road
Edina, Minnesota 55424
Attention: Mert Woodard, CFO / Director, Finance & Operations

Via email: Mert.Woodard@EdinaSchools.org

Dear Mr. Woodard and Members of the School Board,

From time to time, the City of Edina uses Tax Increment Financing (TIF) as a financing tool to support redevelopment in the community. While most development projects in Edina are privately financed, Edina has used TIF sparingly when necessary to overcome financial obstacles that hindered investment in Edina. Over the past 50 years, TIF has been used to increase the property tax base, deliver public improvements, create new housing, new businesses and new jobs. There are currently 12 active TIF Districts in Edina.

In 2025, the Minnesota Legislature approved Special Laws pertaining to TIF Districts in 11 communities across the state. Two of Edina's TIF Districts were included in these Special Laws.

The Special Laws grant authority to the City to extend the duration of the 70th & France and 72nd & France #2 TIF Districts. This will extend the number of years that incremental taxes will be collected from these Districts. The City's use of this law is subject to the consent of Edina Public Schools and Hennepin County.

The City of Edina seeks the consent of the Edina Public Schools so that these special laws can be applied to provide financial support to deliver private and public improvements at these two locations.

Your support is appreciated as the City strives to deliver transformational changes that establish strong foundations for future generations. Please convey your support by executing the attached Resolution. Your support is requested by December 1, 2025 to satisfy the legislative deadline.

I am available to answer questions or meet with you as needed.

Sincerely,

A handwritten signature in blue ink that reads "Bill Neuendorf".

Bill Neuendorf

Attachments (Background, Fiscal Comparison, Eden/Willson example, sample Resolution)

CITY OF EDINA

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Background



The 70th & France TIF District was established by the City to support transformation change on a high profile 5.8 acre commercial site previously occupied by office buildings that were outdated and obsolete.

1 Rendering of multiple phase mixed use project at 7001 France Avenue. While this has received zoning approval, some changes might be necessary to secure financing.

The 72nd & France #2 TIF District was also established to support change on a challenging 5.2 acre site that saw seven previous proposals fail. This site was previously occupied by outdated and obsolete office buildings, one of which had been declared unsafe to occupy due to excessive structural deterioration.



2 Rendering of 5-story Class A office building and 6-story rental apartment building at 7200-7250 France Ave. Sitework includes a plaza, landscaped area, and roadway. Improvements to 72nd St. and a pedestrian crossing at France Ave. are also anticipated.

In both of these cases, the boundary and duration of the TIF Districts was kept as small and as brief as possible. Copies of the original TIF documents are available on the City's website or upon request. At this point in time however, it appears necessary to increase the duration of both TIF Districts to address the increased costs of public and private improvements. A fiscal comparison is attached.

Fiscal Comparison

		70th & France District	72nd & France #2 District
Year District Established		2022	2023
District Size		5.8 acres	5.2 acres
First Year of TIF collection		2026	2026
Initial Duration		15 years	25 years
Last Year of TIF collection		2041	2051
REQUESTED EXTENSION	Proposed Extension per 2025 Special Law	+ 10 years	+ 5 years
	Total Potential Duration	25 years	30 years
	Proposed Last Year of TIF collection	2051	2056
(1) BEFORE TIF DESIGNATION	Previous Site Conditions	1 vacant and 1 obsolete office building with no students	1 condemned medical building and 1 obsolete office with no students
	Orig. Tax Capacity	296,370	217,506
	Base Market Value	\$16,597,000 (2025)	\$10,000,000 (2025)
	Total Property Taxes Paid	\$426,191 (pay 2025)	\$298,369 (pay 2025)
	Taxes to School District	\$94,879 (pay 2025)	\$57,268 (pay 2025)
(2) AFTER STABILIZATION AND DURING TIF COLLECTION PERIOD	Anticipated Future Conditions (subject to market conditions)	1 new building for US Bank (completed), 1 new Class A office building with first floor retail, 1 new parking structure available for public use, and 1 new luxury rental apartment building with first floor retail and public and private site improvements with very few to no students anticipated	1 new Class A office building and 1 new rental apartment building with combination of market rate and 10% affordable units with public and private site improvements with few students anticipated
	Anticipated Tax Capacity (after stabilization)	2,891,950 (+976% increase)	2,048,974 (+942% increase)
	Anticipated Market Value	\$184,760,000 (in 2030 ... 11x increase)	\$68,506,680 (In 2030 ... 6.9x increase)
	Anticipated Property Taxes Paid	\$4,210,613 (in 2030 ... 9.9x increase)	\$2,119,387 (in 2030 ... 7x increase)
	Anticipated Taxes to School District	TBD – <i>will be substantial increase (even during TIF period) due to:</i> - Partial reclassification from Comm. to Multi-family Residential - Increase in site valuation - Increase in market-based school taxes	
(3) AFTER TIF COLLECTION PERIOD ENDS	Anticipated Taxes to School District (assuming proportional growth and no inflationary increases, two conservative assumption)	Very large increase estimated to be \$937,370	Very large increase estimated to be \$406,788

Example – Eden Willson TIF District

An example of the property tax impact to the School District is included here. This is an actual redevelopment project – the demolition of the vacant office building and Perkins restaurant and the construction of Maison Green apartments with Starling restaurant. The overall work also included reconstruction of adjacent roadways and sidewalks to better serve the community. Without the use of TIF financing, these projects would not be possible and the vacant office & restaurant would likely have remained for a few years or more.

This example shows the actual impact to the School District of using TIF when necessary.

	Eden Willson District
Year TIF District Established	2021
District Size	11.9 acres
No. of Parcels	1 + adjacent roadways
First Year of TIF Collection	2025
Duration of TIF District	25 years
Last Year of TIF Collection	2050
District Obligations	<ul style="list-style-type: none"> • Repay debt to construct new roads, new intersections and new sidewalks • Reimburse developer for eligible costs

Fiscal Summary 2020 to 2025						
	2020	2021	2022	2023	2024	2025
Site Description	Partially Vacant Office/Restaurant			Vacant site reclassified from Commercial to Multi-Family	Partially constructed building	New apartments completed – TIF collections begin
Estimated Taxable Property Value	\$3.08 M	\$3.08 M	\$3.08 M	\$6.9 M	\$14.1 M	\$70.8 M
Total Property Taxes Paid	\$103,292	\$99,960	\$99,118	\$211,055	\$204,891	\$1,093,419
Taxes Paid to School District	unavailable	\$19,191	\$18,175	\$40,217	\$79,073	\$155,791

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