

From the Minneapolis / St. Paul Business Journal:

<http://www.bizjournals.com/twincities/print-edition/2011/12/02/Target-plans-north-metro-building.html>

Target to add jobs in north metro

Premium content from Minneapolis / St. Paul Business Journal by Sam Black,
Senior reporter

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Target Corp. is planning to expand its campus in Brooklyn Park next year, starting with a new office building that would be at least 245,000 square feet. The project would be partially funded by a state jobs-stimulus bill.

Details of the expansion plans are included in a new contract the retailer has with Brooklyn Park over economic-development assistance. The City Council will consider approving the contract at its Dec. 12 meeting.

Target already has about 1,300 employees at its Brooklyn Park campus, spread out over 450,000 square feet of office space within four structures it built during the past decade. The most recent was a 245,000-square-foot office building that opened in 2006.

Target had much more ambitious plans for the 150-acre campus, but put them on hold when the economy soured in 2008. Its previous development agreement with the city expired in August due to five years of construction inactivity.

As the contract was about to expire, Target approached the city and asked for a five-year extension and indicated it was considering more growth at the campus.

Target is adding hundreds of employees in the Twin Cities this year and needs more space. The company has expanded its operations recently by distributing its own groceries, running its own website and planning to enter the Canadian market.

"As a part of our strategic, long-term growth planning, Target is reviewing and updating

our Brooklyn Park site's master plan and development agreement with community officials." said [Molly Snyder](#), a spokeswoman for the Minneapolis-based retailer. She declined to comment further.

The new contract will require Target to re-start construction on so-called "Building 5" of its existing campus before July 1, 2012, in order for the project to qualify for the new jobs bill subsidy program.

The new agreement is similar to the old one except for the source of economic development funding tied to Building 5, said [Jason Aarsvold](#), Brooklyn Park's economic development and redevelopment director. It relies on a new pooled tax increment financing (TIF) program passed by the Legislature in 2010 to help create jobs following the recession.

For Building 5, it will replace an earlier mechanism that would have required the city to reimburse Target for its property tax payments over time. The new deal will use a formula to determine the up-front subsidy for Building 5, which would be in the range of \$1.7 million to \$2 million, Aarsvold said.

It is based on the previous incentive, which provided for up to \$20 million in abatements, based upon how much Target developed on the site over a 30-year period.

Jumping in TIF pool

The money is coming from a new TIF program that allows cities to use surplus funds from existing TIF districts in one part of a city for new projects in other areas.

It was Brooklyn Park's idea to switch funding sources because it gives the city more flexibility with its budget and uses funds that were otherwise not being tapped, Aarsvold said. The city has three TIF districts with a total surplus of \$5 million to \$6 million that it couldn't spend under the old rules.

In 2010, to help create jobs, the Legislature lifted the rules and let cities pool their own surplus balances. The Legislature extended the program again in 2011, requiring construction on projects to start before July 1, 2012.

Brooklyn Park officials hope Target will break ground in the first half of the year and use the program as intended, although there is nothing in the contract that requires them to do that, Aarsvold said. If Target doesn't start before July 1, the contract reverts back to its original status.

Other cities, too

Other cities around the state are using the TIF pooling program, said [Mark Ruff](#), a financial adviser at Ehlers Inc., a public finance consultant in Roseville.

Coon Rapids is using the authority to subsidize an \$8 million expansion by Pittsburgh-based

Medrad Inc.'s interventional business, formerly **Possis Medical Inc.**

Inver Grove Heights is using the law to kick-start development of [Argenta Hills](#), a retail center that's anchored by a Target store.

Other cities, such as Duluth, New Brighton and St. Louis Park, are using the TIF pooling authority for various projects, mostly smaller ones that couldn't otherwise get financed.

"The real benefit of the program is that it helps developers bring equity to the projects," Ruff said, adding that the funds are helping bridge gaps between available financing and construction costs and creating jobs as the Legislature intended.

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Sam Black covers real estate, manufacturing, food, and economic development

From the Minneapolis / St. Paul Business Journal:

http://www.bizjournals.com/twincities/blog/real_estate/2011/12/target-expansion-bigger-than-thought.html

Target's Brooklyn Park expansion even bigger than thought

Minneapolis / St. Paul Business Journal by Sam Black, Senior reporter

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Target Corp. is planning to expand its Brooklyn Park campus by 350,000 square feet with its next building project there, according to a new city document previewing a Dec. 12 city meeting.

The *Business Journal* broke the news last Friday that [Target was planning a big expansion of its north metro campus](#), but that report was based on November city documents indicating only that the retailer's next Brooklyn Park building would be at least 245,000 square feet in size.

A Dec. 4 memo written by an attorney for the city, [Stephen Bubul](#) of Kennedy & Graven in Minneapolis, shows that initial estimate understated things: "Target has now proposed to build another office building ('Building 5') with approximately 350,000 square feet, and to that end has requested the EDA to amend the 2006 Development Agreement in certain respects," the memo read.

The memo was included in a packet of information released prior to the Brooklyn Park Economic Development Authority's Dec. 12 meeting. ([You can see a PDF download here, but just know it's 99 pages long.](#))

Target is working with Brooklyn Park city officials on a revised version of a 2006 co-development agreement. The previous deal between the city and the Minneapolis-based retailer (NYSE: TGT) expired this fall after five years of inactivity by Target.

Target already has about 1,300 employees at its Brooklyn Park campus, spread out over 450,000 square feet of office space within four structures it built during the past decade.

Sam Black covers real estate, manufacturing, food, and economic development

From the Minneapolis / St. Paul Business Journal:

http://www.bizjournals.com/twincities/blog/real_estate/2011/12/target-moving-tech-workers-brooklyn-park.html

Target moving 3,900 workers to Brooklyn Park tech campus

Minneapolis / St. Paul Business Journal by Sam Black, Senior reporter

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Target Corp. plans to relocate 3,900 of its corporate technology workers from downtown Minneapolis to its Brooklyn Park campus over the next three years, according to spokeswoman [Molly Snyder](#).

"Due to continued, steady growth, Target has outgrown the company's available downtown Minneapolis space," Snyder said in an e-mail. "Therefore, as part of strategic, long-term growth planning, Target hopes to begin to develop a corporate technology campus on our Brooklyn Park site. We anticipate that Target Technology Services team members and contractors will transfer to the Target technology campus between 2012 and 2014."

In downtown Minneapolis, Target (NYSE: TGT) has about 2,400 technology team members and 1,500 contract workers, Snyder said. Most of Target's technology workers are in the 33 South Sixth office tower (formerly known as Multifoods Tower), owned by Brookfield Properties Trust. Target has several years remaining on its various leases in that tower.

Target's downtown employees were notified of the employment shift in an e-mail message this week. Target currently has about 10,000 employees in downtown Minneapolis and about 1,300 Brooklyn Park.

[Target hasn't discussed exactly what it plans to develop in Brooklyn Park yet, but the Business Journal reported Thursday that Target](#) plans to build at least a 350,000-square-foot office building at its existing Brooklyn Park campus, near the intersection of Highways 610 and 169. It already has four office buildings on that campus.

As for its downtown presence, there aren't many additional details. Target has applied for a

demolition permit for the small building located at 81 10th St. S. because it is in poor condition. However, Target has no additional specific plans to share related to the adjacent properties.

As Target continues to make plans to shuffle its Twin Cities corporate employees, it is important to keep an eye on a redevelopment site that Target purchased earlier this year at 10th Street South and Nicollet Mall.

A contractor took out a permit with the city of Minneapolis to demolish a small single-story building at 81 S. 10th on behalf of Target. Target plans to raze the building because its in poor condition, Snyder said.

Target has no additional specific plans to share related to the adjacent properties, she said. Target also owns the [two-story former record-store building on the corner that it bought this year](#) and the former Scientology building between the record store and WCCO-TV studios on Nicollet Mall.

Sam Black covers real estate, manufacturing, food, and economic development