



**CITY COUNCIL WORK SESSION MEETING**

<b>AGENDA SECTION</b>	WORK SESSION
<b>MEETING DATE</b>	JANUARY 5, 2026

<b>ITEM:</b>	<b>Medtronic Development Update. (15 Minutes)</b>		
<i>Presenting Item: Mitchell Forney, Community Development Director</i>			
<b>DEPARTMENT:</b>	Community Development	<b>BY/DATE:</b>	Mitchell Forney / December 30, 2025
<b>CORE CITY STRATEGIES:</b>			
_Community that Grows with Purpose and Equity		_Engaged, Effective and Forward-Thinking	
_High Quality Public Spaces		<b>X</b> Resilient and Prosperous Economy	
_Safe, Accessible and Built for Everyone		_Inclusive and Connected Community	

**BACKGROUND**

In early 2025, the City Council and City staff began working with Lincoln Avenue Communities on the potential redevelopment of the former Medtronic site. Throughout 2025, Lincoln Avenue Communities continued negotiations with Medtronic regarding the purchase of the property. During this same period, the developer initiated and completed a significant portion of the entitlement process, including review by the Planning and Zoning Commission and subsequent approvals by the City Council.

The approved entitlements were general in nature and intended to establish overall project parameters. These approvals highlighted key components of the proposed development and set broad benchmarks or boundaries for the project moving forward, rather than establishing detailed or project-specific standards.

As Lincoln Avenue Communities advanced the project, the developer also worked to identify potential townhome developers and a market-rate housing partner for the site, while continuing negotiations with Medtronic into late fall. After not receiving bond allocation approval when they applied in July, Lincoln Avenue Communities had indicated an intent to reapply for Minnesota Management and Budget (MMB) bonds in January to support project financing.

In mid-December, Lincoln Avenue Communities notified Community Development staff and the City’s bond counsel that they would no longer be proceeding with an application for MMB bonds. The developer cited concerns from capital investors regarding the financial risk associated with a master-planned development, particularly given the uncertainty surrounding the timing and feasibility of a future market-rate building. Under the proposed structure, the developer would have been responsible for acquiring the land associated with the market-rate component without a guaranteed development timeline.

While this decision does not preclude Lincoln Avenue Communities from returning at a later date with a revised proposal, the decision not to apply for MMB bonds removes the project from the current bond waiting list and eliminates the project’s ability to maintain its decertified Qualified Census Tract (QCT) designation.

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Staff are bringing this update forward to inform the City Council and the public that the project will not be moving forward on its anticipated timeline and may or may not proceed with the current developer.

<b>Requested Council Action/ Discussion Topics / Key Questions</b>
This is an informational item, and staff are not seeking any specific input.