



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Brian Billingsley, Community & Economic Development Director

DATE: April 27, 2020

SUBJECT: TAX INCREMENT FINANCING DISTRICT #2020-1 (BLU ON BROADWAY)

I. RECOMMENDED ACTION

1. Recommend approval of TIF District 2020-1; and
2. Authorize the Mayor to sign the resolution; and
3. Authorize the Mayor to sign the development agreement with Blu on Broadway, LLC.

II. DEPARTMENT CONTACT PERSONS

Brian Billingsley, C&EDD	857-4147
John Zakian, Chief Resilience Officer	420-4528
Kelly Hendershot, City Attorney	857-4755

III. DESCRIPTION

A. Background

Blu on Broadway, LLC is requesting approval of a TIF District that will partially finance the construction of 1st Street SW between 16th Avenue and 17th Avenue. Blu on Broadway, LLC is the developer of the Blu on Broadway mixed use project that is located on a vacant parcel of land located at 1629 S. Broadway. The Planning Commission and City Council approved this project as a planned unit development in the Fall of 2019. Blu on Broadway, LLC will build a five-story building, with commercial units on the first floor and LMI housing on the upper floors.

B. Proposed Project

The subject property is the former site of a Pepsi bottling plant that recently had abandoned buildings. The goal of this project is to provide more affordable housing and business opportunities on an infill parcel. Blu on Broadway is an infill project that is consistent with the City's goals for redeveloping prime retail lands in the C2 zone along Broadway.

The project was approved with a condition requiring 1st Street SW between 16th Avenue and 17th Avenue be re-built to City standards. The City Engineer has estimated it will cost approximately \$700,000 to do this work. The developer requests to use tax increment financing to partially fund this project through a five-year tax abatement estimated to cover \$420,000 in expenses. The developer will be responsible for the remaining balance of the street costs.

IV. IMPACT:

A. Strategic Impact:

The mission of the Minot Community Development Department is to provide quick, accurate, and reliable customer service, create plans that will inspire private investment,

urban renewal, and community expansion, and develop and implement programs that will retain, expand, and recruit commerce and industry. This project will provide urban renewal to a vacant parcel, fill a need for additional affordable housing, and expand commerce within the city.

B. Service/Delivery Impact:

The abatement of taxes will take place during the assessment years of 2021 and 2025. Approximately \$84,000 in property taxes will be abated annually to finance this project.

C. Fiscal Impact:

Project Costs

1 st Street SW Reconstruction	\$700,000
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Project Funding

TIF #2020-1 Abatement	\$420,000
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Blu on Broadway Developer	\$280,000
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V. ALTERNATIVES

Alt 1. The City Council could deny the TIF district, which would require the developer to finance the street improvements on their own and could possibly jeopardize the project.

VI. TIME CONSTRAINTS

The Developer is hoping to break ground this Summer. Council's approval of the recommendation will allow the project to begin construction during the 2020 construction season.

VII. LIST OF ATTACHMENTS

- A. Resolution for TIF #2020-1.
- B. Development Agreement for Blu on Broadway.
- C. Blu on Broadway TIF application and narrative.