



ECONOMIC DEVELOPMENT AUTHORITY

AGENDA SECTION	PUBLIC HEARING
MEETING DATE	MAY 9, 2022

ITEM:	Approve Contract for Private Redevelopment with 42 Central Limited Partnership (Reuter Walton)	
DEPARTMENT: Community Development		BY/DATE: Aaron Chirpich – 5/4/2022

BACKGROUND:

In June of 2020, the City of Columbia Heights approved the sale of the vacant land located behind the Public Safety campus to Reuter Walton Development for the construction of an affordable housing apartment community. As part of the purchase agreement, it was decided that the City and Reuter Walton would work together to develop a site plan that included a future parcel for the relocation of the Southern Anoka Community Assistance (SACA) food shelf and thrift store.

In June of 2021, Reuter Walton and the City completed the land use approval process for the project that resulted in the creation of a Planned Unit Development (PUD) that includes a 62-unit affordable housing apartment complex and future development site for a new 12,000 square foot SACA facility. The PUD consists of two parcels, one for the apartments, and one for the food shelf.

Concurrent to the land use approval process, Reuter Walton submitted an application to the EDA for public financial assistance, specially requesting Tax Increment Financing (TIF) to support the project. In March of 2022, the EDA approved the establishment of the 42nd and Jackson TIF district and adopted a TIF plan for the project. Approval of the TIF plan did not obligate the EDA to provide TIF assistance to the project. Rather, the plan established limits for assistance and qualified the site as eligible for the creation of a housing TIF district per state law.

Now that the entitlements are in place and the land sale terms have been negotiated, it is time to finalize and execute the Contract for Private Redevelopment. This agreement serves to memorialize several important components of the land sale, and it also provides the terms for the final TIF agreement and associated TIF note that will be issued to Reuter Walton. The primary provisions of the agreement are as follows:

- Reuter Walton will be reimbursed for TIF eligible expenses only.
- The maximum principal amount of the TIF note (assistance) has been set at \$732,000.
- The expected duration of the TIF district is 18 years.
- The EDA will be reimbursed by Reuter Walton for all costs associated with establishing the TIF district.
- 10 shared parking spaces are preserved on the Reuter Walton site by an easement in favor of SACA.
- Access to the 10 shared parking spaces is preserved through an access easement in favor of SACA.
- Reuter Walton agrees not to charge residents of the affordable housing community for parking.

RECOMMENDATION:

Staff recommends that the EDA approve Resolution 2022-13, thereby approving the Contract for Private Redevelopment.

RECOMMENDED MOTION(S):

MOTION: Move to waive the reading of Resolution 2022-13, there being ample copies available to the public.

MOTION: Move to approve Resolution 2022-13, a resolution approving a contract for private redevelopment and authorizing the issuance of, and providing the form, terms, covenants and directions for the issuance of a tax increment revenue note to 42 Central Limited Partnership.

ATTACHMENT(S):

- **Resolution 2022-13**
- **Contract for Private Redevelopment**