



**ECONOMIC DEVELOPMENT AUTHORITY**

<b>AGENDA SECTION</b>	<b>BUSINESS ITEMS</b>
<b>MEETING DATE</b>	01/12/2026

<b>ITEM:</b>	<b>Consideration of 4300 Central Development Assistance Agreement.</b>		
<i>Presenting Item:</i> CD Director Mitchell Forney			
<b>DEPARTMENT:</b>	Community Development	<b>BY/DATE:</b>	Mitchell Forney, 01/05/2026
<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**

Over the last several months, the City Council and the Economic Development Authority (EDA) have been working with Alatus to extend the loan terms for the 4300 Central Avenue redevelopment project, transition from temporary to permanent tax increment financing (TIF) bonds, and pledge project-generated TIF revenues to repay the reissued bonds. At tonight’s City Council meeting, the Council will review bids and consider approval of the bond sale associated with this effort.

As part of the transition from temporary bonds to permanent TIF bonds, state law requires the City and the developer to enter into a Development Assistance Agreement (DAA). The attached Development Assistance Agreement establishes the framework under which the City’s financial assistance is provided and sets clear expectations related to project timing, coordination, and performance. The agreement is intended to work in tandem with the City’s existing loan to the developer to mitigate financial risk associated with issuing permanent bonds while continuing to support the redevelopment of this key site.

The Development Assistance Agreement outlines the overall project scope, which includes a multi-phase, mixed-use redevelopment of the approximately 12-acre site at 4300 Central Avenue NE. Phase 1 consists of a market-rate/workforce housing apartment development with structured parking. A future Phase 2 may include senior housing and/or commercial uses, depending on market conditions and project feasibility.

The agreement also documents the public assistance being provided, including the issuance of approximately \$7.635 million in permanent TIF bonds (Series 2026A). These bonds will refinance the previously issued temporary TIF bonds and cover the bridge loan used for the acquisition of the property. The agreement requires the developer to repay this loan through private financing, and it establishes clear remedies for the City should the developer fail to meet required financing or construction milestones.

Key development deadlines are included in the agreement, such as obtaining necessary approvals and permits, commencing construction of Phase 1, and achieving substantial completion. These benchmarks are

critical to ensuring the project continues to move forward in a timely manner and that TIF revenues are generated as anticipated.

To further protect the City's financial interests, the agreement requires the developer to enter into an assessment agreement that establishes a minimum taxable market value for the property. This provision helps safeguard projected TIF revenues that will be used to repay the bonds. The agreement also outlines standard developer obligations, including payment of EDA administrative costs, compliance with zoning, environmental, and permitting requirements, maintenance of insurance, timely payment of property taxes, and construction of the project in accordance with approved plans.

Overall, the Development Assistance Agreement serves as the primary risk-management tool for the City and EDA as the project moves forward. It clearly defines roles and responsibilities, establishes enforceable deadlines, and provides the City with the ability to suspend assistance or pursue loan and mortgage remedies if project obligations are not met. This structure allows the City to continue supporting redevelopment of the site while maintaining appropriate fiscal safeguards.

#### **STAFF RECOMMENDATION**

Staff recommend approval of Resolution 2026-05. The Development Assistance Agreement is a necessary component of the permanent bond issuance and is essential in mitigating risk for the City as it proceeds with the Series 2026A bond reissuance and the overall redevelopment of the 4300 Central Avenue site.

<b>RECOMMENDED MOTION(S):</b>
MOTION: Move to waive the reading of Resolution 2026-05, there being ample copies available to the public.
MOTION: Move to adopt Resolution 2026-05, a resolution approving a Development Assistance Agreement with the City of Columbia Heights and Alatus Columbia Heights II LLC.

#### **ATTACHMENT(S)**

1. Resolution 2026-05
2. Development Assistance Agreement