



HOUSING AND REDEVELOPMENT AUTHORITY AGENDA ITEM REPORT

Meeting Date:	Tuesday, July 27, 2021
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Resolution for Establishing Project Area and Approving TIF Plan for Suite Liv'n Development Project
Background Information:	<p>Gabe Olson, owner of L2C LLC (Suite Liv'n) has applied for Tax Increment Financing to develop two, 24-unit workforce apartment buildings located at 406 Village Drive and 501 Village Drive.</p> <p>L2C LLC is co-owned by Olson and his business partner, Jeff Huston who also co-own Suite Liv'n, the property management company that is responsible for managing the apartments. L2C LLC purchased its first property in Marshall in 2018 and now owns approximately 350 units within the city.</p> <p>Estimated project costs for the development both units are \$6.2 million with construction anticipated to begin in Spring of 2022. The proposed project would include 32 one-bedroom units and 16 two-bedroom units. The proposed development would include 40% of dwelling units affordable to household earning 60% or less of the area median income.</p> <p>The development would also help meet the goals of the City of Marshall's new Housing Study which is nearing completion. The study draft indicates a need for 124 new market rate rental housing units, 75 shallow-subsidy units and 128 deep-subsidy units through 2030. Proposed rental rates for the project range from \$700 - \$900.</p> <p>Olson originally requested 25 years of TIF for the project but following review from Baker Tilley, staff is requesting a 12-year, Pay-Go TIF Plan which would equates to \$460,000 in payments.</p>
Fiscal Impact:	\$460,000 over 12 years in tax increment.
Alternative/ Variations:	None
Recommendations:	Approve resolution approving establishment of Project Area No. 6 and a Project Plan therefor, approving establishment of Tax Increment Financing (housing) District No 6.1 and a Tax Increment Financing plan therefor