



## HOUSING AND REDEVELOPMENT AUTHORITY AGENDA ITEM REPORT

<b>Meeting Date:</b>	Tuesday, August 24, 2021
<b>Category:</b>	NEW BUSINESS
<b>Type:</b>	ACTION
<b>Subject:</b>	Development Agreement for Suite Liv'n Development Project
<b>Background Information:</b>	<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>Kennedy and Graven has submitted the Development Agreement for the proposed TIF project which was reviewed by the City Attorney. Within the agreement are conditions related to the maintenance of all Suite Liv'n current and new properties within the City of Marshall. This includes an annual self-reporting requirement and the ability to withhold TIF payments following infractions until corrections are made.</p>
<b>Fiscal Impact:</b>	\$460,000 over 12 years in tax increment.
<b>Alternative/ Variations:</b>	None
<b>Recommendations:</b>	Approve the Development Agreement for Suite Liv'n's Tax Increment Financing plan.