



CITY OF MARSHALL AGENDA ITEM REPORT

Presenter:	Lauren Deutz
Meeting Date:	Tuesday, June 27, 2023
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Pre-Development Agreement Tapestry Companies
Background Information:	<p>The city of Marshall has recently been in discussions with an established developer on the potential development of a 60-unit affordable family apartment complex and a 65-unit senior independent living complex on London Road.</p> <p>The developer will be applying for the MN Housing Tax Credit funding to support project costs which would allow the units to be at or below 50% AMI. Current proposed rental rates range from \$830 - \$1,283 plus utility allowance. The City's most recent Housing Study, completed in 2021, indicated a need for 75 shallow-subsidy units, and 128 deep-subsidy units through 2030.</p> <p>A Pre-Development Agreement (PDA) would give the developer the option to acquire the property for \$1 once the project is deemed feasible by the city. The developer is also required to complete the Paris Road extension and in turn, the City would provide \$500,000 in Pooled TIF funds to support the project. The PDA also supports the developer's application to MN Housing.</p>
Fiscal Impact:	If developed, tax capacity generated
Alternative/ Variations:	Do not proceed with PDA
Recommendations:	Approved Pre-Development Agreement between the City of Marshall and RLIC Land Holdings, LLC, with a termination date of December 31, 2023.