



REQUEST FOR ECONOMIC DEVELOPMENT AUTHORITY ACTION

MEETING DATE: May 16, 2022

PREPARED BY: Brett Angell, Economic Development Manager

AGENDA ITEM: Assignment of tax increment note and estoppel certificate related to the Hilger TIF district

PREVIOUS ACTIONS:

At the meeting of November 19, 2018, the EDA approved EDA Resolutions 10, 11, and 12 authorizing the establishment of the Hilger tax increment financing district within the gravel mining project area and adopting a tax increment financing plan therefor, an interfund loan for advance of certain costs in connection with the Hilger tax increment financing district, and the execution of a TIF development agreement.

At the meeting of September 16, 2019, the EDA approved EDA Resolution No. 16 authorizing the execution of a first amendment to the TIF development agreement.

At the meeting of December 21, 2020, the EDA approved EDA Resolution No. 26 authorizing the assignment and assumption of the TIF development agreement.

RECOMMENDED ECONOMIC DEVELOPMENT AUTHORITY ACTION:

Motion to approve EDA Resolution No. 33.

COMMENTS:

The Hilger tax increment financing (TIF) district, which is in the broader gravel mining area (GMA) soils deficiency district, was granted to IDP-ODC Arbor Industrial, LLC in order to aid in the costs related to the environmental clean-up of the property and subsequent construction of Arbor Lakes Corporate Center. In December 2020, following the completion of construction of the building, the property was sold and the TIF development agreement was assigned to PRIM Arbor Lakes, LLC, who was the buyer of the property. Per terms of the sale, the TIF note was not included as part of that sale. As the property was sold, staff anticipated that the TIF note would be sold and transferred to a new entity in the near future.

Recently, IDP-ODC Arbor Industrial, LLC has made the decision to transfer the TIF note related to this district to Arbor Lakes TIF, LLC. This entity is related to Inland Development

Partners, which was one of two developer partners which completed Arbor Lakes Corporate Center. The assignment of the TIF note allows for Arbor Lakes TIF, LLC to be the direct benefactor of increment payments.

In order for the tax increment note to be assigned to a new party, the economic development authority must consent to the assignment. Additionally, an estoppel certificate related to the proposed sale of the TIF note is required from both the city and the EDA. Copies of both of the agreements are attached.

ATTACHMENTS:

Attachment A: EDA Resolution No. 33

Attachment B: Assignment of tax increment note

Attachment C: City and EDA estoppel certificate