Council Communication

Department: Community Development	Resolution No. 23-_____	Reso Set PH: 9-25-2023 Public Hearing: 10-9-2023

Subject/Title

Public hearing on the matter of the proposal to enter into a purchase, sale and development agreement with Broadmoor Development Co. Inc.

Background/Discussion

In 2022, the City Council approved a request for proposals (RFP) with Resolution 22-211 to accept proposals from interested developers on the remaining residential lots within the River's Edge subdivision. Of the lots available, Broadmoor Development Co, Inc. responded on five of the six parcels with a plan for new residential multi-family and townhouse development. On November 28, 2022 (Reso 22-303), City Council approved Broadmoor's plan for redevelopment and directed Staff to negotiate the terms of the development agreement.

The developer proposes the following improvements:

Parcel B: Lot 2, Block 3, River's Edge Subdivision, Replat 2

- Twenty (20) apartments in a two-story building with a mixture of 1 and 2 bedroom units, attached garages, and off-street parking for their residents. Construction Estimate: $3,060,000.00

Parcel C: Block 4, River's Edge Subdivision

- Twelve three-story, 2-bedroom townhomes with an attached two car garage for each unit. Construction Estimate: $2,280,000.00

Parcel D: Lots 1 through 3, Block 5, River's Edge Subdivision, Replat 2

- Mixed commercial/residential structure similar to their existing developments at 4040 and 4104 Rivers Edge Parkway. This new building would be comprised of 18 apartments, 3,155 square feet of retail, attached garages, and off-street parking for their residents. Broadmoor also expressed concern about the current retail environment in River's Edge and asked for the City to allow flexibility to convert the 3,155 square feet of retail space into additional apartment units if the retail space is vacate beyond one year. The remaining areas of the parcel not used for buildings and/or parking would be converted into greenspace. Construction Estimate: $2,646,000.00.

<u>Discussion</u>

The total project cost is approximately $8 million. Staff believes that the project will not proceed without assistance. Therefore, an agreement for private development has been prepared which commits a 16-year tax increment financing rebate for the development in the amount of 65% of the attributable property taxes with a maximum incentive of $2 million.

Staff Recommendation

Approval of the resolution to enter a purchase, sale and development agreement with Broadmoor Development, Co., Inc. related to a project within the Playland Park Urban Renewal Area.

Attachments

1. Development agreement
2. Resolution