

## Legislation Text

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**File #:** 24-0079, **Version:** 1

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### **Item Description:**

Approve modification to minimum assessment agreement between the Bloomington Port Authority and Ardor apartment development project pursuant to Minn. Stat. § 469.177, subd. 8

### **Resolution:**

WHEREAS, in 2020, the City of Bloomington Port Authority created a tax increment finance district for the Ardor apartment development project; and

WHEREAS, in 2021, the Port Authority and Ardor Partners, LLC entered into a minimum assessment agreement for the project. The agreement set the project's minimum assessed value at \$43,000,000 for assessment year 2024 for taxes payable in 2025; and

WHEREAS, the project start was delayed to August 2023 and is approximately 50% complete; and

WHEREAS, the developer has requested a modification to the original agreement to align with its revised project schedule. On January 16, 2024, the Bloomington Port Authority agreed to change the agreement start date to assessment year 2025 for taxes payable in 2026.

BE IT RESOLVED, that pursuant to Minn. Stat. § 469.177, subd. 8, the Hennepin County Board of Commissioners approves the amendment to the October 1, 2021, minimum assessment agreement between Bloomington Port Authority and Ardor Partners, LLC, for the Ardor apartment development project, changing the agreement start date to assessment year 2025 for taxes payable in 2026; and

BE IT FURTHER RESOLVED, that the County Board directs the County Administrator to execute any documents or certificates deemed necessary to carry out the intentions of this resolution.

### **Background:**

Minn. Stat. § 469.177, subd. 8, allows for modification of assessment agreements by mutual consent of parties to an agreement. This statute also requires approval by the local government (i.e., city, county, school district) if a property's estimated market value is less than the minimum market value of the original assessment agreement.

In 2020, the City of Bloomington Port Authority created a tax increment finance district for the Ardor apartment development project.

In 2021, the Port Authority and Ardor Partners, LLC entered into a minimum assessment agreement setting the project's minimum assessed value at \$43,000,000 for assessment year 2024 for taxes payable in 2025.

In 2022, Ardor Partners had to secure additional equity to close on the project due to increased construction costs and interest rates delaying the project start to August 2023.

The developer has requested a modification to the original agreement to align with its revised project schedule. At its January 16, 2024 meeting, the Bloomington Port Authority agreed to change the agreement start date to assessment year 2025 for taxes payable in 2026.

The project is approximately 50% complete. The assessor's office has recently estimated the value of the unfinished Ardor apartment project to be \$20- \$25 million.

This request seeks approval to modify the minimum assessment agreement currently in place for the Ardor apartment development project in Bloomington. The modification of the minimum assessment agreement will not negatively impact Hennepin County or Hennepin County taxpayers.

**Recommendation from County Administrator:** Recommend Approval