



TO: Mayor Tom Ross
Members of the City Council

FROM: Brian Billingsley, AICP, Community & Economic Development Director

DATE: February 6, 2024

SUBJECT: AMENDMENTS TO TIF DISTRICT 2022-1 (BIG M BUILDING)

I. RECOMMENDED ACTION

1. It is recommended City Council approve the amendments to the Urban Renewal and Development Plan and the Development Agreement for TIF District 2022-1;
2. Approve the amended Big M Resolution; and
3. Authorize the Mayor and necessary City staff to execute the amended Urban Renewal and Development Plan, amended Development Agreement, and any related documents.

II. DEPARTMENT CONTACT PERSONS

Brian Billingsley, C&E Development Director – 857-4147
Harold Stewart, City Manager – 857-4750
Stefanie Stalheim, City Attorney – 857-4755
Dave Lakefield, Finance Director – 857-4774

III. DESCRIPTION

1. Background
Big M Minot, LLC is requesting amendments to their TIF District that is being used to finance the asbestos abatement and demolition expenses of the former Midwest Federal Bank building located at 123 1st Street SW. Big M Minot, LLC will renovate the building into a mixed-use project consisting of commercial and residential uses.
2. Proposed Project
The subject property is the site of an abandoned office building. The goal of this project is to renovate the entire building so that it could provide more housing and business opportunities to downtown Minot. A 20-year TIF District was approved by the City Council in June 2022. The developer had originally proposed to develop the two lowest floors for commercial space, the four floors above to residential apartments, and two highest floors for residential condominium units.

The developer submitted a request to change the floor plans, which are attached to the amended Urban Renewal and Development Plan. They would like to convert the five lowest floors to commercial/office space and the three highest floors to residential

apartments. The developer is also requesting to withdraw their request to condominiumize the top two floors.

IV. IMPACT:

1. Strategic Impact:
This project will provide renewal to one of the most recognizable buildings in the city and expand commerce and housing opportunities in our central business district.
2. Service/Delivery Impact:
This project would not be feasible without the creation of a TIF District. The developer needs the assistance of a TIF to make the project “pencil out”.
3. Fiscal Impact:
Costs came in higher than anticipated and more asbestos was discovered than what was previously identified in the scope of work. This request will not impact the previously approved financial agreements, nor the minimum assessment agreement. The TIF was used to abate asbestos and demolition costs, which was completed in late 2023. Increasing the square footage of commercial space in the building should yield a higher assessment value, giving the applicant the ability to retire the bond debt at a quicker pace.

V. ALTERNATIVES

1. The City Council can deny the amendments, which may jeopardize or significantly delay completion of the project.
2. The City Council can send the amendments back to staff and ask for additional modifications.

VI. TIME CONSTRAINTS

The developer has a goal to complete the project by the end of the calendar year. Significant delays can push the completion date into 2025.

VII. CITY COUNCIL ASPIRATIONS

Dynamic & Prosperous – With the assistance of the TIF district, one of the tallest buildings in Minot will be transformed into a dynamic and prosperous place to live and work.

VIII. LIST OF ATTACHMENTS

- A. Marked-up Development Agreement
- B. Clean Development Agreement
- C. Marked-up Resolution and Urban Renewal and Development Plan
- D. Clean Resolution and Urban Renewal and Development Plan
- E. Narrative