



## Legislation Details (With Text)

|                       |  |                      |   |              |  |
|-----------------------|--|----------------------|---|--------------|--|
| <b>File #:</b>        | Res. 2021-125  | <b>Version:</b>      | 1 | <b>Name:</b> |  |
| <b>Type:</b>          | Resolution   | <b>Status:</b>       |   | Passed       |  |
| <b>File created:</b>  | 9/14/2021  | <b>In control:</b>   |   | City Council |  |
| <b>On agenda:</b>     | 12/7/2021  | <b>Final action:</b> |   | 12/7/2021    |  |
| <b>Title:</b>         | Consider Resolution Designating a Certain Building as Structurally Substandard - Archer House.   |                      |   |              |  |
| <b>Sponsors:</b>      |  |                      |   |              |  |
| <b>Indexes:</b>       |  |                      |   |              |  |
| <b>Code sections:</b> |  |                      |   |              |  |
| <b>Attachments:</b>   | 1. 1 - Resolution, 2. 2 - Demolition and Development Agreement, 3. 3 - Archer House Redevelopment TIF Final Report, 4. 4 - Ehlers Memo_TIF Redevelopment Findings, 5. 5 - State Statute Redevelopment TIF District Hyperlink |                      |   |              |  |

| Date      | Ver. | Action By    | Action  | Result |
|-----------|------|--------------|---------|--------|
| 12/7/2021 | 1    | City Council | approve | Pass   |

**City Council Meeting Date:** December 7, 2021

**To:** Mayor and City Council  
City Administrator

**From:** Nate Carlson, Economic Development Coordinator  
Mitzi Baker, Community Development Director

Consider Resolution Designating a Certain Building as Structurally Substandard - Archer House.

### Action Requested:

The Northfield City Council approves Designating a Certain Building as Structurally Substandard - Archer House, to reserve the option to use Tax Increment Financing in the future.

### Summary Report:

The item before the Council is to consider deeming the Archer House a “substandard building” as defined in State law related to making it eligible for Tax Increment Financing as a redevelopment district. This item is not an authorization for partial or full demolition, and is distinct from the item under consideration by the HPC. This action item is necessary to consider Tax Increment Financing in the future. The attached resolution is a required action prior to a Redevelopment Tax Increment Financing (TIF) District being established. See [State Resolution 469.174 Subd. 10. Redevelopment District. https://www.revisor.mn.gov/statutes/cite/469.174](https://www.revisor.mn.gov/statutes/cite/469.174) <<https://www.revisor.mn.gov/statutes/cite/469.174>>.

It is best practice that the City contracts with a consultant that conducts a report for the Council to review. In this case, City staff contracted with LHB to complete the work. This consultant was also retained for the redevelopment report required for the properties that existed on the site of the 5<sup>th</sup> Street Lofts TIF request.

The developer/owner has notified City staff that they intend to apply for TIF assistance in the future. In order to

maintain this option in the future, the resolution deeming the building substandard must take place before demolition. The City's Financial Adviser, Nick Anhut with Ehler's, has provided a memo to Council that provides detail of the future action. Additionally, in order to initiate the "but for" test required for TIF assistance, the developer/owner is required to enter into a Demolition and Development Agreement that describes their commitment to demolish and develop the site with the intent to apply for TIF in the near future. This agreement is attached to the resolution for approval along with the substandard report for Council consideration.

It should be noted that these actions do not guarantee any financial assistance to the project. This is merely a preliminary action to lay the foundation for a potential request. If this action is not taken, this common tool used to incentive redevelopment by cities would not be an option. Until an application is made, and a thorough review conducted, the City Council does not authorize any City assistance with the substandard building designation.

There is no formal proposal for redevelopment of the site at this time. However, owner representatives have indicated an intent to pursue a new development on the site according to an August 26, 2021 press release from the Archer House:

“While we are not yet in a position to determine what the future development will look like or include, Brett Reese and partners are committed to both honoring the past and ensuring what comes next serves to strengthen downtown Northfield and the community for generations to come. To that end, Rebound Partners will be forming a task force of community stakeholders to examine community needs, design elements and the uses of the new Archer House site development.”

The HPC had an item under consideration related to the property owners request to remove the building and clear the site. They have applied for a Certificate of Appropriateness, which is acted on by the City's Heritage Preservation Commission. This is due to the Archer House being a contributing structure to the local Historical Preservation district. A public hearing was held on October 14 at the HPC meeting. The process allows for public awareness and the opportunity to comment. The HPC did not take action on the Certificate of Appropriateness following the public hearing. The HPC reconvened on November 17 to review updated information on the Archer House, and the HPC approved the Certificate of Appropriateness for a full demolition of the building.

Whether or not the building is partially or fully demolished it is expected that TIF would be requested to assist in either full or partial redevelopment on the site. Again, as noted several times in the memorandum this action preserves an option for TIF to be a possible use for a redevelopment.

Timelines and other potential redevelopment options will develop over time and are subject to change.

**Alternative Options:**

Not applicable.

**Financial Impacts:**

Not applicable.

**Tentative Timelines:**

- ✓ Public Hearing for Heritage Preservation Commission - October 14
- ✓ Heritage Preservation Commission Review of Certificate of Appropriateness - October 14 & November 17

- ✓ Heritage Preservation Commission Approval of Certificate of Appropriateness - November 17
- Substandard Building Designation action by Council - December 7
- Archer House Demo - the owners have been in contact with contractors and intend to proceed soon after permits are issued. No specific date is identified at this time.
- Redevelopment Plans and Potential TIF assistance - to be determined