

Legislation Text

File #: 2021-4602, **Version:** 1

Presentation: Sale of Land and Transfer of Developer Interests from M-III Longview, LLC, to Box Real Estate Development, LLC, under the Longview Tax Increment Financing Contract

Issue/Request:

Request for City approval to sell land and transfer all Developer interests from M-III Longview, LLC, to Box Real Estate Development, LLC, pursuant to the Longview Tax Increment Financing (TIF) Contract

Key Issues:

Transfer of all land and Developer interests to Box Real Estate Development under the Longview TIF Contract. **The Council reviews the ownership, management, operational, financial and development capabilities of a developer of record under a TIF Plan.**

Proposed City Council Motion:

I move to approve the requested sale of land and transfer of Developer interests from M-III Longview, LLC, to Box Real Estate Development, LLC, as the Developer of record pursuant to the Longview Tax Increment Financing Contract.

Background:

On October 16, 2003, the City Council approved the First Amended and Ratified Longview Farm Tax Increment Financing Plan (the "Longview Farm TIF Plan") through the adoption of Ordinance No. 5630, for the redevelopment of historic structures on the Longview Farm property, in accordance with the TIF Act.

In 2013, a company named Mariner Real Estate acquired all of the prior Developer interests in the undeveloped portions of the Longview TIF Redevelopment Area. Mariner proposed amendments to the 2003 TIF Plan and a new TIF Plan for the remaining undeveloped areas of the Longview TIF Redevelopment Area. Mariner later changes its name to Platform Ventures, and formed a subsidiary named M-III Longview, LLC (the "Developer") for the purposes of the redevelopment work under the TIF Plan.

On December 17, 2015 the City Council approved Ordinance No. 7778 which approved the Second Amended and Restated Longview Farm TIF Plan, Ordinance No. 7779 which approved the New Longview TIF Plan. The City and Developer entered into the Tax Increment Financing Contract dated December 1, 2016 (the "TIF Contract").

The Developer now proposes to transfer all of its interests under the TIF Contract and all of its remaining land ownership in the Redevelopment Area to Box Development. Several provisions of the TIF Contract are relevant to the present request:

Section 7.02E of the TIF Contract provides that no sale or conveyance of any fee interest in any property in the Redevelopment Area can occur, except to permitted assigns, without City approval.

This provision applies because the land for the transaction is all within the TIF Redevelopment Area.

Section 7.02F of the TIF Contract provides that only M-III Longview, LLC, as the Developer of record, has the right to receive TIF revenues for reimbursement of Reimbursable Project Costs. This provision expressly states that subsequent purchasers of land in the Redevelopment Area and tenants cannot receive direct reimbursement from TIF revenues. Our understanding is that Box Development will become the Developer of record upon approval of this request, and M-III will no longer be involved with the TIF, TDD or CID. This presents a unique issue that should be presented and considered by the City Council.

Section 9.05 of the TIF Contract provides that any permission required from the City can be provided by the City Manager, and he may seek the advice, consent or approval of the City Council.

Section 9.05B of the TIF Contract, any action that is required to be performed by the City within a specified time period can be extended for such additional reasonable time as may be necessary for the City to act or provide a response, in order to account for holidays, weekends, regular meeting schedules, meeting agendas, agenda management, and City staff availability.

Impact/Analysis:

A wholesale change in the primary Developer is a significant event under the two TIF Plans. This is a request that the City Manager is bringing to the City Council for a decision under the TIF Contract. Box Development has significant development experience in the Longview area and proposes to proceed with developing the remaining undeveloped property and renovating and preserving the remaining identified structures in the Longview area per the adopted TIF plan.

Timeline:

If approved by the City Council, Box Development would continue its redevelopment work in 2022.

Other Information/Unique Characteristics:

This request would mark the third primary developer of record in the Longview area since 2003.

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