



Agenda Item:

51

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 3/08/04

Communication

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Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Approve final conceptual development plans and evidence of financing from the developer, Neighborhood Development Corporation, and execution of the deed to sell Disposition Parcel No. 98-B-Metro Center Urban Renewal Area (1600-1620 6th Avenue).

SYNOPSIS—

Approving financing and design plans and the deed to convey City-owned property located at 1600-1620 6th Avenue to the Neighborhood Development Corporation (Carol Bower, Executive Director, 1912 6th Ave./Des Moines) for redevelopment.

FISCAL IMPACT—

NDC proposes to use up to \$635,000 in allocated CDBG funds for the reconstruction of the Wherry Building. The remaining funds for the Phase I development will be provided by NDC. Tax abatement will be used for this project.

RECOMMENDATION—

Approval

BACKGROUND—

At the February 22, 2004 Council meeting, after the completion of the required time for receipt of any competing proposals (none were received), the Council approved the urban renewal contract that governs the development of the property. Previously, the Council had accepted the developer-initiated proposal for this property from the NDC at its January 12, 2004 meeting.

Project

NDC will rehabilitate a National Register of Historic Places' structure – known as the Wherry Block Building (1600 6th Ave.) – and undertake new adjacent construction that will provide neighborhood commercial/retail space and housing. It has proposed to phase the development:

Phase I:

The first phase involves rehabilitation of the Wherry Bldg. with retail/commercial on the first floor and residential; units on the 2nd floor and construction of a one story building directly to the north for additional commercial/retail uses. The buildings will front 6th Ave. with access to vehicle parking located behind the buildings.

Tenants for the commercial retail space have been identified. Phase I should be completed by the end of 2004.

The estimated cost of Phase I is about \$910,000 with \$650,00 provided through the City's CDB program and the remainder financed by NDC. Tax abatement (10 year/100% will be utilized.) .

Phase II

NDC has proposed construction, within the next 4 years, of an approximate 16,300 sq. ft. one story building north of the Wherry Building addition that would front 6th Ave., using a comparable architectural style to the Wherry Building. Financing and tenants have not been identified.

Financing

The Phase I project budgets, provided by NDC, show a total project cost of \$910,000. As noted previously, \$635,000 will be provided through CDBG funds. NDC has appropriated \$350,000 of its funds for the project. The total funds available to the project total \$1 million which provide about \$90,000 as contingency funding (about 10%) which will assure project completion.

Conceptual Design Plans

The plans provided for Phase I show the rehabilitation of the Wherry Building in accordance with National Register standards. The adjacent new construction will compliment the existing building. The 4000 square foot building will be separate from the Wherry Block Building and the exterior cladding will be masonry construction using brick that is compatible. Parking needs will be met by on-street parking and a parking lot located between the buildings and the alley.