



Agenda Item:

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## **COUNCIL COMMUNICATION**

### **City Manager's Office**

#### **GENERAL INFORMATION**

Agenda Date: 11/7/05  
Agenda Item Type: Resolution

Communication No.: 05-639  
Roll Call No.:

Submitted by: Richard Clark, Acting City Manager

#### **SUBJECT—**

Resolution approving first amendment to development agreement (Vacant parcel west and south of Spaghetti Works Building)

#### **SYNOPSIS—**

On November 8, 2004 by Roll Call 04-2446, the City Council approved an Urban Renewal Development Agreement with Court Avenue Partners II, L.P., Rick Tollakson, President (the "Developer"). The proposed amendment to the development agreement redirects payment of a portion of the City's economic development grant to Court Avenue Investors, Inc., Rick Tollakson President, who is a partner of the Developer's general partner. The Developer requested the amendment to avoid possible adverse tax treatment that could have occurred under the original agreement. The City's security in the project remains unchanged.

#### **FISCAL IMPACT—**

None.

#### **RECOMMENDATION—**

Approval

#### **BACKGROUND—**

On November 8, 2004 by Roll Call 04-2446, the City Council approved an Urban Renewal Development Agreement with Court Avenue Partners II, L.P. (the "Developer"), whereby the City has agreed to sell the vacant City-owned parcel west and south of the Spaghetti Works Building (the

“Property”) to Developer and Developer has agreed to construct improvements on the Property, including a building at the Southeast corner of Court Avenue and 4<sup>th</sup> Street to contain 8,500 square feet of commercial space and common amenities for the apartments on the first floor and 52 units of apartments on the second through fifth floors, forty residential condominium units for sale along the east side of 4<sup>th</sup> Street, 67 underground parking spaces and 50 surface parking spaces. The City has undertaken to provide certain financial incentives and to provide for the use of up to 25 off-street parking spaces within the area for use exclusively by the tenants residing upon the Property.