



# Council Communication

Office of the City Manager

Date

June 9, 2008

Agenda Item No. 41  
Roll Call No. 08-  
Communication No. 08-358  
Submitted by: Matthew A. Anderson,  
Economic Development Administrator

## AGENDA HEADING:

Resolution approving preliminary terms of an Urban Renewal Development Agreement with 1717 Ingersoll, L.L.C. (Michael Simonsen, owner, 2416 128<sup>th</sup> Street, Urbandale, IA 50325) for redevelopment of 1717 Ingersoll, Des Moines.

## SYNOPSIS:

Recommend approval of an Urban Renewal Development Agreement with 1717 Ingersoll, LLC for a \$3.6 million adaptive reuse of the former Stivers Auto Sales Center at 1717 Ingersoll located at the intersection of 17<sup>th</sup> Street and Ingersoll. The existing building will be renovated into professional office space and a restaurant.

Financial assistance to the project has been negotiated as outlined below. The assistance is needed to address site development costs and costs associated with obtaining a Silver LEED certification design status. The owner is also providing a continuation of the Ingersoll Streetscape elements to provide enhanced pedestrian access to the neighborhood along Ingersoll Avenue and 17<sup>th</sup> Street to High Street. The assistance will consist of a tax increment financing grant over a period of ten years, funded by the new tax increment captured from the project and a minimum assessment agreement.

## FISCAL IMPACT:

Amount: Not to exceed \$550,000, paid in ten annual installments of \$55,000. Payment of each annual installment is subject to the developer meeting conditions contained in the development agreement. It is anticipated that the new tax increment from the project will be approximately \$70,000 per year.

Funding Source: Metro Center Urban Renewal Area Tax Increment Financing District. The project will be subject to a 10 year minimum assessment agreement for \$2.6 million. The Finance Department will establish a new account code for the project.

## ADDITIONAL INFORMATION:

1717 Ingersoll consists of an existing building that formerly housed car dealership offices and auto showroom space. The owner plans to adapt the building in a manner that will reutilize the space and maximize the opportunities to efficiently use water, energy and building materials during the construction process and the life of the reused space. The anticipated construction schedule is to have the renovations completed by November 31, 2008.

The proposed project consists of 25,887 square feet of space to be crafted into a 3,932 square foot restaurant and 20,481 square feet of office space. The tenants will be the professional offices of both Simonsen & Associates Architects and Gilmore & Doyle Engineering. The restaurant space will be developed to allow for outside seating to engage the pedestrian elements planned for Ingersoll and 17<sup>th</sup> Street, as well as opportunities for a rooftop dining area. The project will provide adaptation of the former car lot to provide parking for the offices and restaurant. The alley north of the building has been proposed for vacation and conveyance to the owner to maximize parking and circulation opportunities for the site.

The project will incorporate numerous elements that have earned the reuse of a Silver LEED certified design status. Reduced light pollution and impact to surrounding properties, landscape irrigation through a rainwater collection system, low flow water features that will significantly reduce potable water consumption, high energy efficient HVAC, lighting and building components, a retention of over 75% of the existing walls and floors, use of recycled new construction materials and indoor environmental quality enhancements are several of the green design elements planned.

The owner's commitment to maximize the existing site translates into the addition of streetscape enhancements in the form of wide sidewalks and planters along Ingersoll and 17<sup>th</sup> Street. The intent is to provide for connectivity through the full neighborhood and also allow for a variety of means by which to commute to work in the renovated spaces.

The project has undergone preliminary review by the Urban Design Review Board.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S):**

Date: April 29, 2008

Roll Call Number: N/A

Action: Urban Design Review Board approved the Preliminary Design

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Review of final design plans and proposed use of TIF assistance by Urban Design Review Board and review and approval of final development agreement by Council. Review and recommendation by Planning & Zoning Commission on request to vacate and convey the existing east-west alley between Ingersoll Avenue and High Street.

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