



Council Communication

Office of the City Manager

Date

June 23, 2008

Agenda Item No. 17
Roll Call No. 08-
Communication No. 08-382
Submitted by: Matthew A. Anderson,
Economic Development Administrator

AGENDA HEADING:

Resolution approving final terms of an Urban Renewal Development Agreement with 1717 Ingersoll, L.L.C. for redevelopment of 1717 Ingersoll, Des Moines.

SYNOPSIS:

Recommend approval of final terms of the Urban Renewal Development Agreement concerning a proposed \$3.6 million adaptive reuse of the former Stivers Auto Sales Center at 1717 Ingersoll. LLC (Michael Simonson, Simonson & Associates, Owner, 2420 128th Street, Urbandale, IA 50323, PW Waterbury, LC (Ron Daniels, Buyers Realty, Owner 3101 Ingersoll, Des Moines, Iowa 50309, Opomodo LLC, Justin Doyle, Gilmor and Doyle Engineering, Owner, 11114 Aurora Avenue, Urbandale, Iowa 50322.)

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:

The existing Stivers building located at 1717 Ingersoll 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 17th 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.

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 December 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 Gilmor & Doyle Engineering. The restaurant space will be developed to allow for outside seating to engage the pedestrian elements planned for Ingersoll and 17th Street, as well as opportunities for a rooftop dining area. The project will provide adaptation of the former carlot 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 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 sidewalks and planters along Ingersoll and 17th 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 received approval of the design plans and terms of the financial assistance package by the Urban Design Review Board.

At the June 9 Council meeting, the Council reviewed preliminary terms of the development agreement proposed for the 1717 Ingersoll project. A question was raised during public input regarding the proposed restaurant use and potential rooftop patio dining. The resident was concerned with potential noise from this outdoor use impacting residential uses within the neighborhood.

The 1717 Ingersoll site is located on the north side of Ingersoll Avenue in a C-2 zoning district, and is adjacent to C-2 and C-3 A uses on all sides, as demonstrated in the attached zoning map section. The property is south of High Street, well south of single family uses on Woodland Avenue, and located east of multifamily residential land uses at MLK and Ingersoll. The owners are aware of the concern raised by the resident and are being provided a copy of the City of Des Moines noise ordinance standards for receiving land uses.

In the City's noise ordinance, (Chapter 42, Article IV, Section 42-254), the dBA standards for receiving lands uses are listed. Receiving land use standards for commercial and residential areas are as follows:

MIXED USE AND COMMERCIAL ZONES:

PUD to C-4

At all times: 65 dBA

R1-80 to R-6,R-HD and a residential PUD

7:00 a.m. to 10:00 p.m. 60 dBA

10:00 p.m. to 7:00 a.m. 50 dBA

The owners of 1717 Ingersoll are aware of the standards and will provide the information to future restaurant tenants. No uses are planned at this time on the site that would initiate a noise permit process for exceeding the above decibel standards.

PREVIOUS COUNCIL ACTION(S):

Date: June 9, 2008

Roll Call Number: 08-1002

Action: Approved preliminary terms of urban renewal development agreement with 1717 Ingersoll, LLC for redevelopment of former Stivers Dealership at 1717 Ingersoll Avenue for commercial office and restaurant uses.

BOARD/COMMISSION ACTION(S):

Date: June 17, 2008

Roll Call Number: N/A

Action: Urban Design Review Board recommended approval of the final design plans and financial assistance package as presented.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

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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