



Council Communication

Office of the City Manager

Date

April 26, 2010

Agenda Item No. 33
Roll Call No. 10-
Communication No. 10-211
Submitted by: Matt Anderson, Economic
Development Administrator

AGENDA HEADING:

Approving corrections to the Urban Renewal Development Agreement with Nelson Development, LLC (Jake Christensen, Co-Manager, 1045 76th Street Suite 2000, West Des Moines, IA 50266) for renovation of property at 328 SW 5th Street.

SYNOPSIS:

On May 18, 2009, by roll call 09-863, the City Council approved a development agreement with Nelson Development, LLC for redevelopment of property at 328 SW 5th Street. The City Council is hereby requested to approve a correction to the original development agreement. The request is to approve the correction to Article 1, Section 12 to provide that construction must be completed no later than March 1, 2011; and to approve the correction to Section 2 of the Declaration of Covenants to reflect a duration of ten (10) years in accordance with Article 4, Section 41 of the Agreement.

FISCAL IMPACT:

There is no additional fiscal impact associated with this corrective action. Terms of the previously approved agreement are provided below.

Amount: \$161,788.20 annually for a period of 10 years (Payment stream has a net present value of \$1.05 million or 9% of total project costs). Payment will commence on the issuance of a certificate of completion, but in no event earlier than July 1, 2010.

Funding Sources: Metro Center Urban Renewal Area tax increment, Account 528190, Fund SP371, Org FIN909109.

ADDITIONAL INFORMATION:

Nelson Development, LLC is nearly 75% complete with their \$11.6 million conversion of the property at 328 SW 5th Street, also known as the Hawkeye Transfer Building, from a historic warehouse to 70 market-rate apartment units with 57 underground and covered parking spaces. The building is scheduled to open mid-summer.

PREVIOUS COUNCIL ACTION(S):

Date: May 18, 2009

Roll Call Number: 09-863

Action: Approving Urban Renewal Development Agreement with Nelson Development, LLC (Jake Christensen, Co-Manager, 1045 76th Street Suite 2000, West Des Moines, IA 50266) for renovation of property at 328 SW 5th Street. (Council Communication No. 09-317) Moved by Kiernan to approve. Motion Carried 6-1.

Date: March 23, 2009

Roll Call Number: 09-473

Action: Preliminary terms of agreement with Nelson Development 25 SW 5th LLC for redevelopment of 328 SW 5th Street (Hawkeye Transfer Building). (Council Communication No. 09-167) Moved by Hensley to receive, file and approve preliminary terms of agreement set forth in the accompanying Council Communication and to direct the City Manager to proceed with negotiation of formal agreements with Nelson Development 25 SW 5th LLC consistent with the terms set forth in the accompanying Council Communication. Motion Carried 5-2.

BOARD/COMMISSION ACTION(S):

Date: March 17, 2009

Roll Call Number: N/A

Action: The Urban Design Review Board approved financial assistance and final project design as presented. Motion carried 6-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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