

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: February 11, 2013
	Agenda Item No. 40 Roll Call No. <u>13-0224</u> Communication No. <u>13-068</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving Issuance of Certificate of Completion for Phase I of the Southridge Redevelopment project in the Southside Economic Development District Urban Renewal Area.

SYNOPSIS:

Macerich Southridge Mall, L.L.C. and Southridge Adjacent, L.L.C. (Eric Salo, Executive Vice President, 401 Wilshire Blvd, Suite 700, Santa Monica, California 90401) have submitted documentation required to demonstrate substantial completion of Phase I of the Southridge Redevelopment Project. Work was initiated in summer 2012 to redevelop and repurpose the former mall and adjacent properties into a mixed-use district, with new financial investment and new energy intended to revitalize retail and commercial activity for the area. Phase I was completed in time to allow for a grand opening to coincide with the holiday shopping season.

The Urban Renewal Development Agreement with Macerich Southridge Mall, L.L.C. and Southridge Adjacent, L.L.C. requires a certificate of completion to be issued by the City Council for each phase of the project before the economic development grant payments can begin. City staff has inspected the project and has confirmed the terms of the Agreement have been satisfied to allow approval of a certificate of completion. Date of the first payment will be December 10, 2014.

FISCAL IMPACT:

Amount: The economic development grant is to be paid in semi-annual installments over 15 years solely from the new incremental property taxes paid on the increase over the base valuation within the Project Area. The first 20 semi-annual installments (10-years) will be equal to 100% of the new property tax increment revenues paid within the project area on the new incremental increase in assessed valuations on the improvements; the next 10 semi-annual installments (5-years) will be equal to 75% of the new property tax increment revenues paid within the project area on the new incremental increase in assessed valuations on the improvements.

Funding Source: Southside Economic Development District Tax increment revenues paid on the new incremental taxable valuations resulting from the improvements within the project area, as cash is available within the overall increment district. Date of the first payment will be December 10, 2014.

ADDITIONAL INFORMATION:

Macerich Southridge Mall, L.L.C.'s and Southridge Adjacent, L.L.C.'s comprehensive redevelopment plan provides a minimum investment of \$27 million. The redevelopment activities referred to as Phase I Improvements include:

- Demolition of a portion of the mall between the existing Sears and Target stores that contains the existing food court, thereby providing new outside store fronts to the existing major tenants (Younkers and Sears) and providing new outside store fronts to 133,700 square feet of currently internal retail space;
- Development of a new outside courtyard fronting the new outside store fronts;
- Renovation of a portion of the existing parking lot and entrance from East Army Post Road providing enhanced entry way and signage to the project area;
- The construction of a corridor to provide direct pedestrian access between the proposed recreational and educational facilities and the redeveloped retail space in the eastern half of the mall; and
- The redevelopment of a portion of the parking lot and access drives to provide convenient vehicular access to, and parking for, the planned recreational and educational facilities.

In addition to the physical improvements completed for Phase I, Macerich Southridge Mall, L.L.C. and Southridge Adjacent, L.L.C. have continued marketing efforts to attract new retail uses to the project area, with additional openings expected in spring 2013. Building improvements for the Des Moines Area Community College Career Academy and planning efforts for the proposed community sports and wellness facility are also underway. Plans for Phase II of the project, and all additional future phases, will be presented to Urban Design Review Board and City Council.

PREVIOUS COUNCIL ACTION(S):

Date: May 7, 2012

Roll Call Number: [12-0745](#)

Action: [Approving](#) Agreement with Macerich Southridge Mall LLC and Southridge Adjacent LLC for the redevelopment and repurposing of Southridge Mall at SE 14th Street and E. Army Post Road. ([Council Communication No. 12-233](#)). Moved by Meyer to adopt. Motion Carried 7-0.

Date: March 12, 2012

Roll Call Number: [12-0423](#)

Action: [Preliminary](#) Terms of Agreement with Macerich Southridge Mall LLC for the repurposing of Southridge Mall at SE 14th Street and Army Post Road. ([Council Communication No. 12-127](#)). Moved by Meyer to approve the preliminary terms of agreement as identified in Council Communication No. 12-127; to authorize and direct the City Manager and Office of Economic Development to negotiate an Urban Renewal Development Agreement with Macerich upon terms consistent with Council Communication No. 12-127 for consideration by the City Council at the earliest opportunity; and to authorize and direct the City Manager and Office of Economic Development to study and report back to the City Council regarding the potential to redesignate the Southside Economic Development District Urban Renewal Area under the slum and blight criteria. Motion Carried 7-0.

Date: January 23, 2012

Roll Call Number: [12-0113](#)

Action: [On](#) request from SDG Macerich Properties, LP for an amendment to “C-4” Preliminary Development Plan for Southridge Mall, 1111 E. Army Post Road, to redevelop a portion of the mall in the vicinity of the food court as a 133,777 square foot area for retail/office/assembly uses accessed from an outdoor plaza on the north side of the mall and a 94,000 square foot area for athletic/fitness/assembly uses on the west side of the mall, subject to conditions. Moved by Meyer to adopt, and amend the C-4 Southridge Mall Preliminary Development Plan. Motion Carried 7-0.

Date: January 9, 2012

Roll Call Number: [12-0034](#)

Action: [On](#) request from SDG Macerich Properties, LP for an amendment to “C-4” Preliminary Development Plan for Southridge Mall, 1111 E. Army Post Rd., to redevelop a portion of the mall in the vicinity of the food court for retail/office/assembly uses accessed from an outdoor plaza on the north side of the mall and a 94,000 square foot area for athletic/fitness/assembly uses on the west side of the mall, subject to conditions, (Hearing Set for 1-23-12). Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 19, 2011

Roll Call Number: [11-2152](#)

Action: [Regarding](#) negotiation of preliminary terms of agreement with SDG Macerich Properties, LP for redevelopment of Southridge Mall. ([Council Communication No. 11-768](#)) Moved by Meyer to authorize and direct the City Manager to negotiate preliminary terms of agreement with SDG Macerich Properties, LP for economic Development financial assistance for the redevelopment of the Southridge Mall consistent with Council Communication No. 11-768 for consideration by the City Council at the earliest opportunity. Motion Carried 7-0.

Date: December 6, 2010

Roll Call Number: 10-2018 thru 10-2021

Action: Items regarding proposed Southside Economic Development District Urban Renewal Area: ([Council Communication No. 10-730](#))

- (A) [Communication](#) from the Plan and Zoning Commission. Moved by Meyer to receive and file. Motion Carried 7-0.
- (B) [Resolution](#) of Necessity finding the Urban Renewal Area to be an economic development area appropriate for redevelopment for commercial use. Moved by Meyer to adopt. Motion Carried 7-0.
- (C) [Hearing](#) on the proposed Urban Renewal Plan and adopting the Plan. Moved by Meyer to adopt. Motion Carried 7-0.
- (D) [First](#) consideration of ordinance providing for the division of general property taxes levied and collected each year in the Urban Renewal Area to allow for the use of Tax Increment Financing (TIF). Moved by Meyer that this ordinance be considered and given first vote for passage. Motion Carried 7-0.

Date: November 8, 2010

Roll Call Number: [10-1839](#)

Action: [On](#) proposed Urban Renewal Plan for the Southeast Economic Development District Urban Renewal Area, (12-6-10). ([Council Communication No. 10-673](#)). Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 11, 2010

Roll Call Number: [10-1694](#)

Action: [Regarding](#) proposed SE Economic Development District Urban Renewal Area and preparation of an urban renewal plan and creation of tax increment financing (TIF) district. ([Council Communication No. 10-619](#)). Moved by Meyer to receive and file, and to authorize the City Manager to prepare an urban renewal plan and related information and documents in general accordance with the Council Communication. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: February 7, 2012

Resolution Number: N/A

Action: Informational review of the proposed conceptual redevelopment plan; board input and comments, no formal action taken.

Board: Urban Design Review Board

Date: December 20, 2011

Resolution Number: N/A

Action: Informational review of the proposed conceptual redevelopment plan; board input and comments, no formal action taken.

Board: Urban Design Review Board

Date: November 16, 2010

Resolution Number: N/A

Action: Consider sustainable design principles, opportunities for collective energy and water management, build on unique collective mixed uses in area, explore unique development concepts that will make the area distinct, rely on mix of clear guidelines and UDRB project review through development agreements, and require UDRB review of projects in plan area. Motion to approve Southside Economic Development District Urban Renewal Plan by Todd, seconded by Mormann. Motion carried.

Board: Plan & Zoning Commission

Date: December 15, 2011

Resolution Number: N/A

Action: Greg Jones moved staff recommendation to approve the submitted "C-4" Development Plan amendment subject to the following conditions:

1. Any Site Plan for reconfigured off-street parking areas shall conform to interior lot landscaping requirements.
2. Any Site Plan shall coordinate with DART for incorporation of appropriate transit stations where necessary as part of the design. Motion passed 12-0.

Board: Plan & Zoning Commission

Date: December 2, 2010

Resolution Number: N/A

Action: Greg Jones moved staff recommendation to find the Southside Economic Development District Urban Renewal Plan in conformance with the 2020 Community Character Plan. Motion passed 12-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Plans for Phase II of the Southridge Redevelopment Project will be presented to City Council and the Urban Design Review Board; subsequent phases will also follow this review and approval process.

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