

 <h1 style="text-align: center;">Council Communication</h1> <p style="text-align: center;">Office of the City Manager</p>	Date:	March 11, 2013
	Agenda Item No.	38
	Roll Call No.	<u>13-0421</u>
	Communication No.	<u>13-120</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Open and Close Public Hearing to Accept Developer-Initiated Development Proposal and Execute Agreement with East Village Growth Partners LLC for Disposition Parcel 02-1A /Metro Center Urban Renewal Area (350 E. Locust Street).

SYNOPSIS:

At the January 25, 2013 meeting, City Council conditionally accepted the East Village Growth Partners LLC (Tim Rypma, Manager, 2404 Foster Drive, Des Moines, Iowa) developer-initiated proposal to purchase City-owned urban renewal property located at the NW corner of East Locust and East 4th Streets (350 East Locust Street) subject to a competition period ending March 4, 2013 for any submission of competing proposals and a public hearing for the March 11, 2013 on executing the development agreement. No other development proposals have been received.

FISCAL IMPACT:

Amount: Revenue of \$400,000 to be receipted to the Economic Development Enterprise Account. As directed by the Council at its February 20, 2013 meeting, this funding may be used, subject to Council approval, to assist other housing projects that were under consideration for selection by the Council for the CDBG-DR5 funding.

Funding Source: Developer’s payment for property.

ADDITIONAL INFORMATION:



The East Village Growth Partners LLC development proposal is for a \$6.5 million mixed use project with commercial uses on the first and fifth floor and 20 residential units on the second-fourth floors. The residential floors share access to a common rooftop area on the fourth floor at the west end of the building. The development is proposed as steel and concrete construction with extensive full brick cladding.

Project financing is contingent upon award of CDBG-DR5 funding from the State of Iowa; if this project is not selected, the developer will request withdrawal of the proposal.

PREVIOUS COUNCIL ACTION(S):

Date: February 20, 2013

Roll Call Number: [13-0267](#)

Action: [Approve](#) the submittal of two (2) applications for multi-family housing projects to the Iowa Economic Development Authority for Community Development Block Grant-Disaster Relief (CDBG-DR) Round V Funding. ([Council Communication No. 13-074](#)). Moved by Meyer to adopt in accordance with the City Manager's recommendation and to direct the City Manager to look at using the land sales proceeds of approximately \$400,000 and all other available sources to assist the other projects, and to work with HUD to get the restrictions on the Section 108 Loan lifted to allow residential development in the Riverpoint West Area. Motion Carried 7-0.

Date: January 28, 2013

Roll Call Number: [13-0169](#)

Action: [Accepting](#) developer-initiated redevelopment proposal from East Village Growth Partners LLC to redevelop Disposition Parcel No. 02-1a (350 E. Locust Street)/Metro Center Urban Renewal Area; setting date of public hearing on intent to accept said proposal and authorizing notice of intent to enter into an agreement to purchase land for private redevelopment if no competing proposals are received, (3-11-13). ([Council Communication No. 13-042](#)). Moved by Meyer to adopt. Motion Carried 7-0.

Date: March 12, 2007

Roll Call Number: [07-496](#)

Action: [Recommending](#) that the City proceed with a Developer-Initiated Proposal from Hatch Development Group, for redevelopment of City-owned land at E. 4th and E. Locust Streets. ([Council Communication No. 07-127](#)). Moved by Meyer to receive and file, and direct the City Manager to continue negotiations with Hatch Development Group the terms of a developer initiated proposal for further consideration by the City Council. Motion Carried 6-1.

Date: November 6, 2006

Roll Call Number: [06-2185](#)

Action: [Third](#) Amendment to agreement for acquisition of property at E. 4th and Locust Streets to allow an extension to January 31, 2007 for negotiations with SOHO Development LLC for possible redevelopment of the site. ([Council Communication No. 06-688](#)). Moved by Hensley to adopt. City Manager to work with any interested parties during this extension period. Motion Carried 5-0. Council Member Mahaffey declares a conflict of interest and abstains from voting.

Date: June 6, 2005

Roll Call Number: 05-1448

Action: Approving Amendment to Agreement for acquisition of property at E. 4th and Locust Streets. (Council Communication No. 05-316). Moved by Brooks to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: January 15, 2013

Resolution Number: NA

Action: Review of developer's design conceptual plans and recommendation to the City Council on proposed minimum development requirements any competing proposal must meet for this site.

Board: Board of Adjustment

Date: February 27, 2013

Resolution Number: NA

Action: Approved variance to permit building height above 55 feet.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- (1) The development agreement requires the developer to submit final design plans to the Urban Design Review Board in late March/April for its recommendation to the City Council in accordance with the development agreement
- (2) Financing for this project is subject to award of the \$3 million in CDBG-DR5 funding; the application was submitted to the State of Iowa on March 1, 2013. It is anticipated the State will announce awards by late April/early May 2013 with its funding agreement requiring federal clearance for environmental and historical reviews and publication of various notices prior to permitting construction to start. These reviews typically take 60+ days to complete. At the time those reviews are completed, land conveyance to the developer may occur.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to cityclerk@dmgov.org.