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|  <p style="text-align: center;">Council Communication Office of the City Manager</p> | Date: May 20, 2013 |
| | Agenda Item No. 56 Roll Call No. <u>13-832</u> Communication No. <u>13-270</u> Submitted by: Matthew A. Anderson, Assistant City Manager |

AGENDA HEADING:

Receive Redevelopment Proposal for Disposition Parcel No. 02-02A/Metro Center Urban Renewal Area (425 East Grand Avenue) and Set Date of Hearing to Execute Development Agreement.

SYNOPSIS:

A developer-initiated redevelopment proposal has been received from 425 East Grand, LLC (Jake Christensen, Christensen Development, 506 3rd Street/Suite 300, Des Moines, IA 50309) for the relocation of a State-owned rowhouse, located at 709 East Locust Street, onto City-owned urban renewal property. More specifically, this proposal provides for moving the rowhouse structure, known as Norden Hall, to the eastern-most 75 feet of the City-owned surface lot located at 425 East Grand Avenue. The structure would then be renovated for commercial uses. The State has indicated it will demolish the rowhouse unless it is moved before the end of summer 2013.

The roll call on the May 20, 2013 agenda provides for the following:

- a. Accepts the redevelopment proposal and requests competing proposals.
- b. Adopts minimum development requirements that must be met by competing proposals for new construction or relocation of a historic structure.
- c. If no other responsive proposal is received on or by June 21, 2013, sets the date of public hearing for the execution of the redevelopment agreement for the June 24, 2013 City Council meeting.

FISCAL IMPACT:

Amount: Receipt of \$180,000 for the sale of 425 East Grand Avenue; Expenditure of \$225,000 for economic development grant.

Funding Source: Economic Development Enterprise Account, SP743-CMOO980717-480060 for receipt and funding of economic development grant.

ADDITIONAL INFORMATION:

Development Proposal

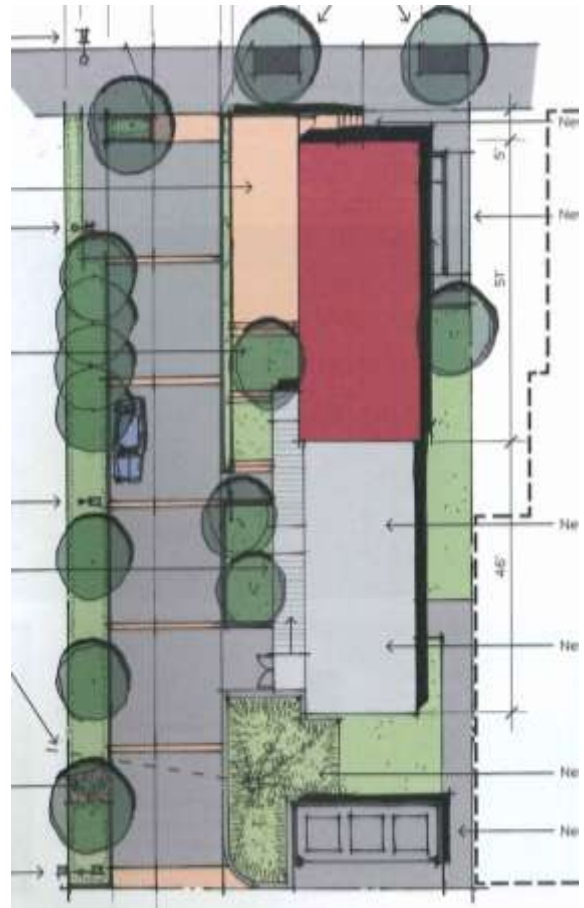


The rowhouse (left), currently located on State of Iowa-owned property at 709 East Locust Street, will be moved to 425 East Grand Avenue. A new two story/400 square foot at the rear of the building will be constructed to allow this 133 year-old historic structure to be used for a restaurant on the first floor and offices on the second floor.

This preliminary conceptual design shows the layout of the building on the site. (East Grand Avenue is at the top and the public alley at the base of the picture). A rain garden will be provided in the south portion of lot to assist in storm and surface water control.

The original rowhouse is shown in red and the proposed new addition in light gray. The building (original and new addition) must be approved by the State of Iowa Historic Preservation to qualify for the historic tax credits. Slingshot Architecture (305 East Court Avenue, Des Moines) is the project architect.

The estimated costs of this development are about \$1.2 million which are higher than normal due to the costs of moving and rebuilding the foundation, utility connections, etc. The redevelopment proposal is contingent on a State of Iowa grant of \$250,000 to assist in the relocation of the rowhouse and a \$225,000 economic development grant from the City. A large portion of the City grant—\$180,000—will be disbursed when the property is purchased and the remaining amount—\$45,000—when the certificate of completion is issued. The developer is responsible for the construction and operation of a dumpster area that will be made available to tenants currently using the dumpsters on the City surface parking lot at this time. Historic tax credits will also be used.



Site and foundation work are anticipated to start in July 2013. The building move is anticipated to occur in August with completion of the building shell by late 2013.

Proposed Site Location



A major consideration in locating the rowhouse parcel is the remaining property owned by the City is a size and dimension that can be redeveloped. The remaining City-owned site contains about 25,000 sq. ft. Its dimensions (about 212' x 132') can support a building of similar size to E300 (300 East Grand Avenue) and the East Village Square Apartments (333 East Grand Avenue).

Sales Process

The proposed site for the rowhouse relocation must be offered for sale through the urban renewal process because the property was purchased using tax increment funds generated by the Metro Center Urban Renewal Area. The property will be offered for competing bids until June 21, 2013. A successful competing bid must meet the required minimum development requirements that are detailed in the roll call; either new construction or relocation of an appropriate historic structure on this property will be permitted.

PREVIOUS COUNCIL ACTION(S):

Date: May 6, 2013

Roll Call Number: [13-0711](#)

Action: [Authorize](#) voluntary acquisition of 409 E. Grand Avenue from Christensen Development, \$140,000. ([Council Communication No. 13-233](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: October 8, 2001

Roll Call Number: 01-3010

Action: Authorizing acquisition of property located at 425 East Grand Avenue in Eastern Gateway from Neighborhood Improvement Corporation in the amount of \$258,460 plus closing costs of \$1,758.89. Moved by McPherson to adopt. Motion Carried 6-1. Nays: Flagg.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: April 23, 2013

Action: The Board recommended approval of the proposed conceptual design for the site, proposed minimum development requirements and the general disposition parcel configuration. The Board will review the final site and building design plans prior to conveyance of the property.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Board of Adjustment (anticipated): July 2013 for variance/exception on parking and drive aisle.
- Landmark Review Board: June 20, 2013 for recommendation to Plan and Zoning Commission on Local Landmark designation.
- Plan and Zoning Commission: June 20, 2013 for site plan review due to change in use and Local Landmark designation.
- Urban Design Review Board: June 18, 2013 for final conceptual plan review.

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