

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date:</b> June 10, 2013
	<b>Agenda Item No.</b> 30 <b>Roll Call No.</b> <u>13-906</u> <b>Communication No.</b> <u>13-295</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

Resolution Approving Urban Renewal Development Agreement with Ballyard Lofts, L.L.C. for renovation of property at 350 SW 2nd Street and Approving Proposed Conceptual Development Plan.

**SYNOPSIS:**

On April 22, 2013, by Roll Call No. 13-0650, City Council approved preliminary terms of an Urban Renewal development agreement with Ballyard Lofts, L.L.C. (Managing Member Troy Hansen, President, Hansen Real Estate, 5665 Greendale Road Suite A, Johnston, Iowa 50131) for a \$5.9 million renovation of the property at 350 SW 2nd Street, from a vacant warehouse to 44 market-rate apartment units. The project will provide for the adaptive reuse of a property in the area directly south of the Central Business District, and provide desirable housing options at the center of outdoor recreation, transportation and destination entertainment amenities, including Principal Park and the Science Center of Iowa.

The Urban Design Review Board approved the project design and financial assistance proposal at their May 21, 2013 meeting. Construction is anticipated to begin in June.

**FISCAL IMPACT:**

Amount: Payment stream has a net present value of \$498,258 or approximately 8.5% of total project costs. Annual payments over a ten year period will commence following the issuance of a certificate of completion, but in no event earlier than July 1, 2014.

Funding Source: Metro Center Urban Renewal Area tax increment, account, fund and organization codes to be assigned by Finance Department.

**ADDITIONAL INFORMATION:**

The vacant warehouse at 350 SW 2nd Street is located south of Martin Luther King Jr. Parkway and immediately west of Principal Park. This area is a regional destination hub with the presence of the baseball park and other recreational amenities. The City’s investment in the extension of Marin Luther King Jr. Parkway has proven to be a catalyst for new private sector investment in this important corridor, prompting the development community to initiate new projects in the area, such as Ballyard Lofts.

The Ballyard Lofts, L.L.C. design team has approached the project as an opportunity to provide a sustainable re-use for a vacant warehouse, re-introducing the building as an active site in the

downtown inventory. The team worked with staff and the Urban Design Review Board to refine the project's design, including adjustment to the proposed window strategy to open up each facade and maximize the use of glass. The aluminum system, louver and steel window channel will be a black anodized color to reinforce the building's mass, and the signage will provide a nod to the baseball theme of the project.

The design will involve the removal of the metal enclosure currently attached to the east side of the building. Materials will be salvaged for re-use as part of a louver structure in the south section of the parking lot, which will provide a defining presence between the residential parking area and the parking lot to the south. The parking area to the south will continue to be available for patrons during Principal Park events. With the significant foot and vehicle traffic generated by Principal Park events anticipated to continue, the design team worked carefully to balance the connectivity of the site with the privacy of the residents. The incorporation of the louver structure and the on-site sidewalk to and from the building are elements that work to provide residents with a space that is accessible, yet independent from the hub of activity surrounding the site.

Marketing of the housing units will be geared to young professionals working in the downtown core, but the location is also anticipated to be attractive to baseball fans of many generations who may find appeal in the proximity to Principal Park.

The economic development grant proposed for the project has been evaluated in light of recent tax law changes approved by the State of Iowa Legislature. In the event the actual total ad valorem property taxes due and payable on the property and improvements in any calendar year fall below the expected total ad valorem taxes due and payable for that year, then the difference shall be deducted from the amount of the installment on the economic development grant due and payable in that calendar year.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: April 22, 2013

Roll Call Number: [13-0650](#) and [13-0651](#)

Action: [Preliminary](#) terms of agreement with Ballyard Lofts, LLC for renovation of property at 226 West Martin Luther King, Jr. Parkway. ([Council Communication No. 13-205](#)) Moved by Hensley to receive, file and approve the preliminary terms of agreement as set forth in Council Communication No. 13-205, and to direct the City Manager to proceed with negotiation of a formal agreement with Ballyard Lofts, LLC, consistent with the terms set forth in Council Communication No. 13-205. Motion Carried 7-0.

- (A) [Approving](#) application of Ballyard Lofts, LLC for Enterprise Zone Benefits for a housing project at 226 W. Martin Luther King, Jr. Parkway in the Gateway Enterprise Zone.

#### **BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: May 21, 2013

Resolution Number: N/A

Action: Motion to approve as submitted by Hearn. Seconded by Abler. Motion carried.

Board: Urban Design Review Board

Date: May 7, 2013

Resolution Number: N/A

Action: Motion by Garner that the level of assistance recommended from tax increment is reasonable and appropriate. Seconded by Hearn. Motion carried. Motion by Clark to approve the general design concept. Seconded by Reynolds. Motion carried.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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