

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	July 29, 2013
	Agenda Item No.	26
	Roll Call No.	<u>13-1206</u>
	Communication No.	<u>13-392</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Amendment to Urban Renewal Agreement for the Sale of Land for Private Redevelopment with East Village Growth Partners , LLC for Disposition Parcel No. 02-1A/Metro Center Urban Renewal Area (350 East Locust Street).

SYNOPSIS:

At the March 11, 2013 meeting, City Council accepted the East Village Growth Partners LLC (Tim Rypma, Manager, 2404 Forest 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 Street (350 East Locust Street) and authorized execution of the urban renewal development agreement.

The proposed \$6.1 million project (20 apartments and first floor commercial) was contingent on the \$3 million award of Community Development Block Grant – Disaster Recovery (CDBG-DR5) funding from the State of Iowa. Due to the lateness in announcing the awards, various dates in the urban renewal contract need to be amended. The proposed amendment provides for conveyance and related items to occur on or by December 31, 2013.

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 will be used to assist the Ingersoll Square Phase 3 project which was also under consideration by the Council for the CDBG-DR5 funding.

Funding Source: Developer’s payment for property.

ADDITIONAL INFORMATION:

The CDBG-DR application for this project was submitted to the State of Iowa on March 1, 2013; the State indicated the awards would be made by late April/early May 2013. The awards were not made until late June and consequently, the urban renewal contract-specified dates for conveyance, construction start and related items need to be amended to later dates to meet the CDBG-DR5 contractual requirements for environmental and historical reviews and publication of various notices before construction is permitted to start.

PREVIOUS COUNCIL ACTION(S):

Date: July 15, 2013

Roll Call Number: [13-1105](#)

Action: [Amendment](#) #15 to the Des Moines Community Development Block Grant – Disaster Recovery (CDBG-DR) to accept a supplemental award for multi-family housing new production for East Village Growth Partners, LLC, not to exceed \$3,000,000 plus general administration, not to exceed, \$61,224. ([Council Communication No. 13-370](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 20, 2013

Roll Call Number: [13-0804](#)

Action: [Preliminary](#) terms of agreement with Ingersoll Square III Investments, LLC for construction of a mixed use development project at Ingersoll Avenue and Martin Luther King Jr. Parkway and authorizing the City Manager to negotiate final contracts. ([Council Communication No. 13-241](#)), Moved by Hensley to receive and file and to authorize the City Manager to negotiate a Home Program Loan Agreement and final development agreement for City financial assistance, based on the preliminary terms of agreement as outlined in Council Communication No. 13-241. Motion Carried 7-0.

Date: February 20, 2013

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

Action: [Approve](#) the submittal of two 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 urban renewal development agreement requires the developer to submit final design plans to the Urban Design Review Board for its recommendation to the City Council; this review will be undertaken prior to October 2013.
- 2) The CDBG-DR5 federal funding requires clearances for environmental and historical reviews and publication of various notices prior to permitting construction to begin. These reviews typically take 75- 90 days to complete. The CDBG-DR5 contract between the City and developer will be brought to Council for execution in September when it reasonably assured the clearances will be obtained and construction is ready to begin.

- 3) When all clearances have been received and the CDBG-DR5 contract between the City and developer has been executed, the land will be conveyed for start of construction.

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