

 <h1 style="text-align: center;">Council Communication</h1> <p style="text-align: center;">Office of the City Manager</p>	Date:	August 26, 2013
	Agenda Item No.	48
	Roll Call No.	<u>13-1359</u>
	Communication No.	<u>13-442</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

On the June 24, 2013 City Council agenda are the following roll calls associated with the redevelopment proposed for 425 E. Grand Avenue:

- A) Approving Urban Renewal Agreement for Sale of Land for Private Redevelopment with 425 East Grand, LLC to develop Disposition Parcel No. 02-02A (425 East Grand Avenue) in the Metro Center Urban Renewal Project.
- B) Approving Conceptual Development Plan and execution of Special Warranty Deed to 425 East Grand, LLC.

SYNOPSIS:

At the July 29, 2013 City Council meeting, a date for the public hearing on the proposed sale of City-owned property at 425 E. Grand Avenue to 425 East Grand, LLC (Jake Christensen, Christensen Development, 506 3rd Street/Suite 300, Des Moines, IA 50309) was set for the Council’s August 26, 2013 meeting unless a competing proposal to redevelop the property was received. As of August 20, 2013 no inquiries have been received for the documents required to create a competing proposal.

The 425 East Grand, LLC proposal provides for moving the rowhouse, known as Norden Hall, from its current location at 709 East Locust Street, to the eastern-most 75 feet of the City-owned surface lot located at 425 E. Grand Avenue. The structure would then be renovated for commercial uses.

The roll calls relating to the proposed sale of the property on the August 26, 2013 agenda provides for:

- A public hearing on the proposed sale of Disposition Parcel No. 02-02A to 425 East Grand, LLC if no other responsive redevelopment proposal is received on or by August 23, 2013. The roll call then authorizes execution of the redevelopment agreement which includes the terms and conditions relating to the disbursement of a City-funded \$225,000 economic development grant.
- Approval of the conceptual development plans and execution of special warranty deed to 425 East Grand, LLC for conveyance of Disposition Parcel No. 02-02A/Metro Center Urban Renewal Area.

FISCAL IMPACT:

Amount: Receipt of \$180,000 for the sale of 425 E. Grand Avenue; expenditure of \$225,000 for economic development grant of which \$180,000 will be disbursed when the property is purchased and the remaining amount—\$45,000—when the certificate of completion is issued.

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

ADDITIONAL INFORMATION:



The rowhouse (left), currently located on State of Iowa-owned property at 709 East Locust Street, will be moved to 425 E. Grand Avenue. The rowhouse owner, the State of Iowa, has indicated it will demolish the rowhouse unless it is moved before the end of summer 2013. Design plans have been revised, due to escalating costs, to the renovation of the existing building with no new building addition. This 123 year-old historic structure will to be used for commercial uses on the first and second floors.



Slingshot Architecture (305 East Court Avenue, Des Moines) is the project architect.

The building must be approved by the State of Iowa Historic Preservation to qualify for the historic tax credits.

The \$1 million estimated cost of this development is higher than normal due to the cost of moving and rebuilding the foundation, meeting historic materials standards, etc.

These renderings by the project architect, Slingshot Architecture, show the building front facing East Grand Avenue (above) and the west elevation (below).



The State of Iowa is also providing a grant of \$250,000, to be administered by the City, to assist in the relocation of the rowhouse. 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.

At the July 29, 2013 City Council meeting, a revised development proposal was accepted by the Council after the offering period for the property had been completed. The City's Legal Department recommended the property be re-offered because the elimination of the addition represents a substantive change in the project.

The revised site design plan provides for many of the same elements as the original proposal with the following changes:

- a. No new construction building addition is proposed.
- b. A full basement, rather than a partial basement, will be added.
- c. The previous external stairway on the east wall is now contained within the building.
- d. The front entryway will remain similar in appearance to its current look, rather than adding a reproduction of the original ornate arched entrance.

PREVIOUS COUNCIL ACTION(S):

Date: July 29, 2013

Roll Call Number: [13-1236](#), [13-1237](#) and [13-1238](#)

Action: On items regarding Norden Hall relocation:

- A) [Approving](#) Termination Agreement – Urban Renewal Agreement for Sale of Land for Private Redevelopment with 425 E. Grand Avenue, LLC Disposition Parcel No. 02-02A (425 E. Grand Avenue) – Metro Center Urban Renewal Project. Moved by Meyer to adopt. Motion Carried 7-0.
- B) [Accepting](#) Developer-Initiated Development Proposal from 425 East Grand, LLC to develop Disposition Parcel No. 02-02A (425 E. Grand Avenue) in the Metro Center Urban Renewal Area, approving minimum requirements and setting date of hearing on competitive process for development and notice of intent to accept proposal for sale and development, (8-26-13). ([Council Communication No. 13-389](#)) Moved by Meyer to adopt. Motion Carried 7-0.
- C) [Setting](#) date of hearing on issuance of a Conditional Certificate of Appropriateness for the relocation of Norden Hall from 709 E. Locust Street, terminating the designation of 709 E. Locust Street as a local landmark and designating 425 E. Grand Avenue as a local landmark upon relocation to that address, (8-26-13). Moved by Meyer to adopt. Motion Carried 7-0.

Date: June 24, 2013

Roll Call Number: [13-1047](#), [13-1048](#) and [13-1049](#)

Action: [Issuing](#) a Conditional Certificate of Appropriateness for the relocation of Norden Hall, from 709 E. Locust, terminating the designation as a Local Landmark and designating 425 E. Grand Avenue as a Local Landmark upon relocation to that address. ([Council Communication No. 13-333](#)) Moved by Meyer to adopt. Motion Carried 7-0.

- (A) Approving Urban Renewal Agreement for Sale of Land for Private Redevelopment with 425 East Grand, LLC to develop Disposition Parcel No. 02-02A (425 E. Grand Avenue) in the Metro Center Urban Renewal Project. ([Council Communication No. 13-339](#)) Moved by Meyer to adopt. Motion Carried 7-0.
- (B) Approving Conceptual Development Plan and execution of Special Warranty Deed to 425 East Grand, LLC. Moved by Meyer to adopt. Motion Carried 7-0.

Date: May 20, 2013

Roll Call Number: [13-0832](#) and [13-0833](#)

Action: [On](#) application from the State of Iowa for a Certificate of Appropriateness for the demolition of Norden Hall, 709 E. Locust Street, and to continue to June 24, 2013 at 5:00 PM and setting date of hearing on June 24, 2013 at 5:00 PM on the designation of 425 E. Grand Avenue as a local landmark upon the relocation of Norden Hall at that address. ([Council Communication No. 13-270](#)) Moved by Meyer to adopt. Motion Carried 7-0.

- (A) [Accepting](#) Developer-Initiated Development Proposal from 425 East Grand, LLC, to develop Disposition Parcel No. 02-02A (425 E. Grand Avenue) in the Metro Center Urban Renewal Project, and approving minimum requirements and competitive process for development and notice of intent to accept proposal for sale and development. Moved by Meyer to adopt. Motion Carried 7-0.

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 E. 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: August 6, 2013

Action: The Board recommended approval of the revised final conceptual design for the site.

Board: Local Landmark Review Board

Date: July 30, 2013

Action: The Board recommended redesignation as a Local Landmark for the structure and its revised development plans when it is moved to 425 E. Grand Avenue.

Board: Urban Design Review Board

Date: June 18, 2013

Action: The Board recommended approval of the final conceptual design for the site.

Board: Local Landmark Review Board

Date: June 18, 2013

Action: The Board recommended redesignation the structure as a Local Landmark when it is moved to its new location.

Board: Plan and Zoning Commission

Date: June 20, 2013

Action: The Commission will receive the Landmark Review Board recommendation from its June 18, 2013 meeting; the Commission's recommendation on Local Landmark status will be sent to the City Council under separate cover. In addition, the Commission will also review the site plan for 425 East Grand Ave.; the Commission's recommendation on Local Landmark status will be sent to the City Council under separate cover.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

The City will be responsible for the administration and disbursement of the State of Iowa grant for the relocation of the rowhouse.

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