

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 22, 2014
	Agenda Item No.	35
	Roll Call No.	<u>14-1479</u>
	Communication No.	<u>14-470</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution to approve proposal from MidAmerican Energy Company for the undergrounding of overhead electric lines for the Artisan Row, LLC project at 1623 Grand Avenue.

SYNOPSIS:

On September 21, 2014, by Roll Call No. 14-0627, City Council approved an Urban Renewal Development Agreement with Artisan Row, L.L.C. (Rick Tollakson, President, Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, Iowa 50266) for a \$7.3 million project constructing 27 for sale townhomes on the former Iowa Paint property bounded by Ingersoll, Grand, 16th and 17th Streets. The project would also retain the existing 5,400-square-foot commercial building on the NW corner of the site, which will be remodeled as professional office space.

The terms of the development agreement provided for tax increment financing assistance in the amount of \$266,000 to address an unexpected financing gap attributed to site development costs, specifically water service and the undergrounding of overhead electric lines. The actual cost of this undergrounding have come in substantially above original estimates provided by MidAmerican Energy. The Office of Economic Development and Engineering staff have worked with MidAmerican Energy on a proposal for the undergrounding of overhead lines to be conducted as a beautification effort under a contract with the City, which will provide the ability to forego a 21% tax normally assigned to private entities by MidAmerican Energy, bringing the total cost for the work to \$291,444. Council approval will allow the proposal to be executed by the City Manager and submitted to MidAmerican Energy with a check from Artisan Row, L.L.C. for \$291,444.

FISCAL IMPACT: NONE

Terms of the original development agreement remain unchanged and the \$291,444 undergrounding cost will be paid by Artisan Row, L.L.C.

ADDITIONAL INFORMATION:

The project is the first to add for sale residential units in the downtown market since the completion of Hubbell's Brownstones projects at Second and Grand Avenue in 2011. Hubbell plans 27 two-story townhouses fronting all sides of the block, as well as bridging the gap between the Ingersoll and Sherman Hill neighborhoods and downtown. Commencement of the first phase of construction is expected in June 2014 with completion scheduled for early 2015.

The site does not fall within the downtown utility undergrounding district; however, staff requested that Hubbell consider this work as part of their project. The City previously assisted with power line undergrounding at the Gateway Lofts site immediately west of this site and undertaking the utility project now will allow for a much improved aesthetic at this entrance from Sherman Hill into downtown.

PREVIOUS COUNCIL ACTION(S):

Date: April 21, 2014

Roll Call Number: [14-0627](#)

Action: [Urban](#) Renewal Development Agreement with Artisan Row LLC, for the redevelopment of property in the vicinity of 1623 Grand Avenue and approving proposed Conceptual Development Plan. ([Council Communication No. 14-181](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: March 24, 2014

Roll Call Number: [14-0483](#)

Action: [Preliminary](#) Terms of Agreement with Hubbell Realty Company for a For-Sale Housing Development at 1623 Grand Avenue. ([Council Communication No. 14-118](#)) Moved by Hensley to receive, file and approve the preliminary terms of agreement as set forth in Council Communication No. 14-118, and to direct the City Manager to proceed with negotiation of a formal agreement with Hubbell Realty Company consistent with the terms set forth in Council Communication No. 14-118. Motion Carried 7-0.

Date: January 27, 2014

Resolution Number: [14-0176](#), [14-0177](#), and [14-0178](#)

Action: On vacation and conveyance of a segment of Ingersoll Avenue right-of-way adjoining 525 17th Street to Artisan Row, LLC in exchange for a comparable parcel of land adjoining 1623 Grand Avenue. Moved by Hensley to adopt. Motion Carried 7-0.

- (A) [First](#) consideration of ordinance above. Moved by Hensley that this ordinance be considered and given first vote for passage. Motion Carried 7-0.
- (B) [Final](#) consideration of ordinance above (waiver requested by the applicant), requires six votes. Moved by Hensley that the rule requiring that an ordinance must be considered and voted on for passage at two Council meetings prior to the meeting at which it is to be finally passed be suspended, that the ordinance be placed upon its final passage and that the ordinance do now pass, [#15,258](#). Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: April 15, 2014

Resolution Number: N/A

Action: Final approval of project design and financial assistance as presented. Motion carried 6-0. Brian Clark abstained.

Board: Plan & Zoning Commission

Date: December 5, 2013

Resolution Number: N/A

Action: Approved staff recommendation for approval of a site plan “Artisan Row” under design guidelines for multiple family dwellings to allow development of 27 two-story row dwellings subject to the conditions. And approval for vacation of an irregular segment of Ingersoll Avenue right-of-way lying south of the traveled portion of the street between 16th Street and 17th Street, to incorporate within the proposed development site on that block subject to the provision of any necessary easements for existing utilities. Motion carried 13-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Issuance of Certificate of Completion.

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