

 <p style="text-align: center;"><b>Council</b> <b>Communication</b> Office of the City Manager</p>	<b>Date:</b>	May 18, 2015
	<b>Agenda Item No.</b>	<b>36</b>
	<b>Roll Call No.</b>	<b><u>15-821</u></b>
	<b>Communication No.</b>	<b><u>15-252</u></b>
	<b>Submitted by:</b>	<b>Matthew A. Anderson, Assistant City Manager</b>

**AGENDA HEADING:**

Actions Related to the Gray’s Landing Development Area (aka Riverpoint West).

**SYNOPSIS:**

City Council is requested to approve the following items for the Gray’s Landing Development Area:

- A. Second Amendment to the Amended and Restated Urban Renewal Development Agreement with Riverpoint West, LLC;
- B. Parcel Development Agreement with the Edge at Gray’s Landing, LLC and Redevelopment Plan for the construction of a 90 unit apartment building;
- C. Parcel Development Agreement with the Nexus at Gray’s Landing, LLC and Redevelopment Plan for the construction of a 142 unit apartment building; and
- D. Amended and Restated Parcel Development Agreement with Sherman Gray’s Landing Office Development, LLC and Redevelopment Plan for the 72,000-square-foot Gray’s Lake Office Building.

On this agenda will also be a Private Construction Contract for Tuttle Street from SW 9<sup>th</sup> Street to SW 11<sup>th</sup> Street by separate Roll Call from the Engineering Department.

All projects are planned to begin construction in 2015, with Tuttle Street, Nexus and the Edge to begin this summer and the Gray’s Lake Office Building to begin this fall. A Holiday Inn Express hotel is already underway in the SW corner of SW 11<sup>th</sup> Street and future Tuttle Street.

These projects represent a combined total of over \$78 million worth of new economic investment in the Gray’s Landing Development Area, and are presented by Riverpoint West, LLC (George Sherman, Sherman Associates, 233 Park Avenue, Suite 201 Minneapolis, MN 55415) as the Master Developer.

**FISCAL IMPACT:**

The 2007 Development Agreement provides for the City to receive half of the proceeds of land sales from the Master Developer to Nexus at Gray’s Landing, LLC, Edge at Gray’s Landing, LLC and Sherman Gray’s Landing Office Development LLC. Pursuant to the terms of the proposed Second Amendment, these proceeds will be deferred by the City and repaid from net cash flow of the office building and housing projects, with remaining balances to be paid in 22 years. The land sale proceeds amount for the Edge is \$500,000, the amount for the Nexus is \$900,000, and the amount for the office building is \$1,435,737.

City-owned land will be sold to the Master Developer for assembly into the site for the office building. Pursuant to the terms of the original 2007 Development Agreement, a Supplemental Economic Development Grant will be paid from the proceeds of the sale of property from the City to the Master Developer. The amount of the Supplemental Economic Development Grant for the land to be incorporated into the office building site is \$1,274,096.

### **ADDITIONAL INFORMATION:**

These actions by City Council provide for the necessary land transactions to allow the construction of the two (2) housing projects and the office building in the Gray's Landing Development Area. Each of the projects will fall under a Minimum Assessment Agreement and be constructed under plans approved by the Urban Design Review Board.

Sherman Associates is demonstrating a high level of environmental stewardship with the development of the Nexus and the Edge housing projects. The Nexus will seek LEED certification, will include raingardens, bioretention cells, bike racks, and a bike share area, and is exploring the ability to incorporate solar panels into the site. The Edge has been awarded \$750,000 from the Iowa Economic Development Authority (IEDA) for promoting green infrastructure, low impact development, and the use of stormwater best management practices in the development of the project.

The Edge design will include:

**Permeable Pavements** - Permeable pavements are proposed in exterior parking lot, drive aisles, plazas at the transit stop, and on SW 9<sup>th</sup> and Tuttle Street sidewalks. Permeable pavements allow for the infiltration of storm water over a large area, slowing down the run-off as well as providing a filtering effect to larger contaminant particles.

**Rainwater Harvest, Storage & Reuse** - A 7,000 gallon storage tank is proposed to hold rain water harvested from the structure's roof. Harvested rain water held in the tank would be reused to water community gardens and used to serve the drip irrigation system.

**Bio-retention** – Three (3) large bio-retention areas are proposed on the site. Drive aisle widths have been adjusted to accommodate for larger bio-retention areas on the west side of the site. This site modification also accommodated creation of onsite community garden/amenity space. Bio-retention areas capture petroleum products, trash, pesticides, and silts within a basin area and allow these pollutants to be filtered and absorbed within complex soil horizons, while allowing the infiltration of water into a storm sewer that continues on to a local stream or drainage way.

**Soil quality restoration** - 1,250 cubic yards of soil is proposed to be improved. Soil improvement includes adding amended soils including sand, compost and in some areas, aggregate layers, to increase soil permeability. This can successfully increase the soil's quality without requiring mass excavation of the existing soil.

**Native plantings** - Native plantings, above what is required by local code, are proposed. Additional native plantings can achieve a greater bio-mass, allowing for a greater intake and absorption of rain fall. Creating run-off capture zones and routing this run-off through native planting beds can both reduce the amount of storm water leaving the site and absorb certain pollutants into the plant's bio-mass.

Underground Filtration Chambers – The initial proposal contemplated an underground detention and filtration chamber as the feature of the storm water management plan. This was the means intended to be used to meet required site storm water infiltration. This system remains in the current proposal to serve as an additional management measure when runoff exceeds the capacity of the other proposed best management practices.

**PREVIOUS COUNCIL ACTION(S):**

Date: September 22, 2014

Roll Call Number: [14-1521](#)

Action: [First](#) Amendment to the Amended and Restated Urban Renewal Development Agreement with River Point West LLC, a Parcel Development Agreement with Sherman Gray's Landing Hotel Development, LLC for construction of a 102-room hotel and a Parcel Development Agreement with Gray's Landing Office Development, LLC for construction of a 72,000 square foot office building in the River Point West Redevelopment area. ([Council Communication No. 14-471](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 8, 2007

Roll Call Number: [07-1991](#)

Action: [Amended](#) and Restated Urban Renewal Development Agreement with River Point West LLC and a Loan Agreement with River Point West Investment Fund LLC for the Riverpoint West Redevelopment Project. ([Council Communication No. 07-612](#)) Moved by Hensley to adopt. City Manager will provide periodic status reports to Council. Motion Carried 7-0.

Date: June 4, 2007

Roll Call Number: [07-1119](#)

Action: [Setting](#) date of hearing on Proposal to enter into an Urban Renewal Development Agreement with River Point West, LLC for the River Point West Redevelopment Project including the sale of land and inviting competing proposals, (7-9-07). ([Council Communication No. 07-315](#)) Moved by Hensley to adopt. Motion Carried 7-0.

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

Board: Urban Design Review Board

Date: April 21, 2015

Resolution Number: N/A

Action: Motion for final approval as presented by Mormann. Seconded by Nagle. Yes: 7; No: 0; Absent: 3.

Board: Urban Design Review Board

Date: December 16, 2014

Resolution Number: N/A

Action: Motion by Hielkema to approve the design subject to further consideration of north/south connectivity through the site dependent on the development of Tuttle Street with close attention to the integration of utilities into the façade. Seconded by MacRae. Yes: 10; Absent:1.

Board: Urban Design Review Board

Date: October 21, 2014

Resolution Number: N/A

Action: Motion by Clark to approve as presented subject to screening west parking lot from MLK Jr. parkway. Seconded by MacRae. Yes: 8; Abstain: 1; Absent: 1.

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The Office of Economic Development is continuing work with Sherman Associates and the Community Development Department on a revision to the Master Development Agreement and Master Conceptual Plan to be presented to City Council later this year.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D. Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).