

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	July 13, 2015
	Agenda Item No.	36
	Roll Call No.	[]
	Communication No.	<u>15-370</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving second amendment to development agreement with ST Investments, LLC., A/K/A ST Development Co., for development in the vicinity of East Fifth and Walnut Streets.

SYNOPSIS:

ST Investments, LLC (Tom Howard, Manager) has requested and City staff are recommending to further amend the Development Agreement to allow the Developer to convert 3,665-square-foot of unfinished, vacant commercially assessed area to be converted to finished residential area on the second floor of the building due to the Developer’s inability over the past five (5) years to lease the commercial space, and to allow the Developer to request abatement of the actual taxable value added by the conversion of the area to residential space to the extent that the conversion exceeds the taxable value of that area as of January 1, 2015.

FISCAL IMPACT:

Amount: \$9,400 estimated total value of possible tax abatement over five (5) years.

Funding Source: Vacant, unfinished commercial space currently with a taxable value of \$329,850; any increase in actual taxable value over the current taxable value would be eligible for five (5) year 100% tax abatement.

ADDITIONAL INFORMATION:

The five (5) story building has floor plates varying from approximately 7,800 to 9,000-square-foot. The first floor features four (4) retail bays. The second floor consists of 8,000-square-foot of commercial space originally planned for up to four (4) commercial tenants; however, only 4,335-square-foot of space has been built out for commercial uses. The remaining 3,665-square-foot of space remains as unfinished shell. Thirty (30) residential condominiums occupy floors three (3), four (4) and five (5) with an average assessed valuation of \$218 per square foot before the residential roll back.

The conversion of the remaining 3,665-square-foot to residential will create an active use of the space and is anticipated to slightly increase the taxable value of the parcels after the residential roll back is applied to the assessed value.

PREVIOUS COUNCIL ACTION(S):

Date: December 5, 2011

Roll Call Number: [11-2057](#)

Action: [Issuance](#) of Certificate of Completion to ST Investments, LLC for the East Fifth and Walnut Street Development (E5W) – Metro Center Urban Renewal Project. ([Council Communication No. 11-745](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

Date: April 7, 2008

Roll Call Number: [08-0583](#)

Action: [First](#) Amendment to Development Agreement and First Amendment to Offer to Buy Real Estate and acceptance with ST Investments L.L.C., a/k/a ST Development Co. for development at E. Fifth and Walnut Streets. ([Council Communication No. 08-185](#)) Moved by Vlassis to adopt. Motion Carried 6-1.

Date: June 4, 2007

Roll Call Number: [07-1105](#)

Action: Approving Development Agreement with ST Investments, L.L.C. for development East 5th and Walnut Streets. ([Council Communication No. 07-321](#)) Moved Meyer to adopt. Motion Carried 6-1. Absent: Coleman.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: April 17, 2007

Resolution Number: NA

Action: Approval of economic development assistance.

Board: Urban Design Review Board

Date: February 20, 2007

Resolution Number: NA

Action: Approval of conceptual design plan.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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