

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 21, 2015
	Agenda Item No.	63A
	Roll Call No.	<u>15-2183</u>
	Communication No.	<u>15-653</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving Urban Renewal Development Agreement with 219 Grand, LLC for a mixed-use project located at 219 East Grand Avenue.

SYNOPSIS:

On September 14, 2015, City Council approved preliminary terms of agreement with 219 Grand, LLC (Jake Christensen and Tim Rypma, officers and Jim Cownie, principal investor) for a proposed development mix of market rate housing and retail space on the southeast corner of East Grand and East 2nd Street on an existing privately-owned parking lot. The developer is proposing a 6-story building that includes ground floor retail extending along East Grand and East 2nd. The \$27 million project includes five (5) floors of studio, one (1), and two (2) bedroom apartments, for a total of 98 market rate housing units. City staff has negotiated the financial assistance package listed below.

FISCAL IMPACT:

Amount: 100% tax abatement in years 1-10, 50% of new project-generated tax increment in years 11-15 (after subtraction of debt-protected levies).

Funding Source: Project generated tax increment.

ADDITIONAL INFORMATION:

The developer is planning a 6-story building that includes 17,145-square-foot ground floor retail extending along East Grand and East 2nd with five (5) floors of five (5) studio, 73 1-bedroom, and 20 2-bedroom apartments, for a total of 98 housing units. The main residential entry is located along East 2nd Street. The L-shaped building envelopes a landscaped courtyard, planned to be a semi-private space. The ground floor retail is enclosed by large transparent glass window openings in an aluminum storefront system. Columns clad in weathering steel articulate the storefronts along E. Grand and E. 2nd. Materials at the street-facing residential levels are predominantly a dark grey brick with some weathering steel panels. The west and south courtyard facing façades will be clad in weathering steel panels. Balconies extending on all elevations have perforated aluminum rails. The upper two (2) floors of the street-facing units are stepped back to provide outdoor patios and have a continuous perforated aluminum rail.

A related project on the current City Hall parking lot site will provide parking for this 219 East Grand and adjacent users. The mix of residential, office, and hotel users in the neighborhood makes efficient use of the proposed parking garage. The City Hall parking lot development is proceeding on a parallel

timeline with preliminary terms of agreement being presented to City Council for consideration at the December 21, 2015 meeting. If for any reason the planned garage is not constructed on the City Hall parking lot, the City will be obligated to provide for the use of up to 98 parking spaces for night, weekend and holiday use by the residential tenants of this project.

The Historic East Village Neighborhood Association has issued a letter of support for the joint 219 East Grand and City Hall parking lot development projects. They specifically recognized the importance of enhancing neighborhood walkability, the introduction of another interesting mixed-use property, and seeking to address parking needs in the neighborhood.

PREVIOUS COUNCIL ACTION(S):

Date: September 14, 2015

Roll Call Number: [15-1520](#)

Action: [Preliminary](#) terms of agreement with 219 East Grand, LLC for a mixed use project at 219 E. Grand Avenue. ([Council Communication No. 15-496](#)) Moved by Hensley to receive, file and approve the preliminary terms of agreement as set forth in Council Communication No. 15-496 and to direct the City Manager to proceed with the negotiation of a formal agreement with 219 East Grand, LLC, consistent with the terms set forth in Council Communication No. 15-496. Motion Carried 7-0.

Date: June 15, 2015

Roll Call Number: [15-1088](#)

Action: [Regarding](#) development of the City-owned parking lot, east of City Hall. ([Council Communication No. 15-318](#)) Moved by Gatto to adopt. Motion Carried 7-0.

Date: May 18, 2015

Roll Call Number: [15-0870](#)

Action: [Regarding](#) development of the City-owned parking lot, east of City Hall (continued from May 4th). ([Council Communication No. 15-250](#)) Moved by Gatto to receive and file. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: December 1, 2015

Resolution Number: NA

Action: Motion to approve final design as presented by Reynolds. Seconded by C. Nagle. Motion carried. Yes – 9, No – 0, Absent -0, Abstain – 1.

Board: Plan and Zoning Commission

Date: November 19, 2015

Resolution Number: NA

Action: 8-0 (Jacqueline Easley and John “Jack” Hilmes were not yet present).

Board: Urban Design Review Board

Date: August 18, 2015

Resolution Number: NA

Action: Motion to approve preliminary design as presented. Motion by McRae, seconded by Reynolds. Motion approved 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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