

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	April 11, 2016
	Agenda Item No.	32
	Roll Call No.	<u>16-0575</u>
	Communication No.	<u>16-179</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving amendments to the Parcel Development Agreement and the Declaration of Covenants for the Nexus Apartment project at 415 SW 11th Street by Nexus at Gray’s Landing LLC, to allow Housing and Urban Development (HUD) insured financing.

SYNOPSIS:

On May 18, 2015, by Roll Call No. 15-0824, the City Council approved a Parcel Development Agreement and Declaration of Covenants with Nexus at Gray's Landing LLC (George Sherman, Sherman Associates 233 Park Avenue South Minneapolis, MN 55415) for the construction of a 142 unit apartment building at the southeast corner of SW 11th and Tuttle Streets in the Gray’s Landing Development Area.

Nexus at Gray’s Landing LLC is scheduled to close on financing for the project in mid-May with Jones Lange LaSalle Multifamily, LLC, a loan that will be insured by HUD. HUD requires that the mortgage for this loan have priority over the existing Parcel Development Agreement and Declaration of Covenants between the City and Gray’s Landing, LLC. The Office of Economic Development has reviewed the proposed amendments and recommends approval in order for project financing and initiation of construction to proceed.

FISCAL IMPACT: NONE

The subordination does not create a new fiscal obligation for the City.

ADDITIONAL INFORMATION:

- Nexus at Gray’s Landing is a \$30M, 4-story, 142 unit market rate apartment project that will include approximately 3,300 square feet of commercial space on the first floor.
- The project will feature high-quality interior finishes, swimming pool, community gardens for residents, and sustainable design elements including rain gardens, bio retention cells, bike share and bike rack areas.
- The project joins the completed Holiday Inn Express, the Edge at Gray’s Landing 90 unit apartment project, a 72,000-square-foot office building, and the spring 2016 completion of Tuttle Street between SW 9th and SW 11th Street to create over \$78M in new construction in the Gray’s Landing Development between 2016 and 2017.

PREVIOUS COUNCIL ACTION(S):

Date: May 18, 2015

Roll Call Number: [15-0822](#), [15-0823](#), [15-0824](#), [15-0825](#)

Action: Items regarding the Gray's Landing Development Area: ([Council Communication No. 15-252](#))

- (A) [Second](#) Amendment to the Amended and Restated Urban Renewal Development Agreement with Riverpoint West, LLC. Moved by Hensley to adopt. Motion Carried 7-0.
- (B) [Parcel](#) Development Agreement with the Edge at Gray's Landing, LLC and Redevelopment Plan for the construction of a 90 unit apartment building. Moved by Hensley to adopt. Motion Carried 7-0.
- (C) [Parcel](#) Development Agreement with the Nexus at Gray's Landing, LLC and Redevelopment Plan for the construction of a 142 unit apartment building. Moved by Hensley to adopt. Motion Carried 7-0.
- (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. Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Issuance of Certification of Completion for the Nexus at Gray's Landing project.

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.