

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 23, 2016
	Agenda Item No. 29 Roll Call No. [_____] Communication No. <u>16-294</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Second Amendment to Urban Renewal Development Agreement with Blackbird Investments, LLC for the redevelopment of the Wilkins Building at 713 Walnut Street.

SYNOPSIS:

On December 21, 2015 by Roll Call No.15-2125, City Council approved the First Amendment to the Urban Renewal Development Agreement with Blackbird Investments, LLC (Justin Doyle, Managing Member, 130 East 3rd Street Des Moines, Iowa 50309), which acknowledged the conveyance of the Wilkins Building and land by 713 Walnut, LLC, (The Alexander Company, Inc., Joe Alexander, President, 145 East Badger Road Madison, WI 53713) and assignment of its interest in the development agreement to Blackbird Investments, LLC, organized for this project as Wilkins Redevelopment, LLC. Work has begun on the project with completion anticipated in March 2017.

This Second Amendment provides for acknowledgement that the parcels containing the Wilkins Building and the vacant site to the east where the former Younkers Building was located have now been divided by plat of survey, creating two (2) parcels. The Wilkins Building parcel is being redeveloped under Wilkins Redevelopment, LLC, and the east parcel will remain under the ownership of Blackbird Investments, LLC for future redevelopment. Duties and responsibilities under the development agreement and the skywalk agreement are specifically assigned through this amendment. Details are provided in the additional information section below.

FISCAL IMPACT: NONE

There is no additional fiscal impact to the City with this amendment.

ADDITIONAL INFORMATION:

- The Second Amendment to the development agreement provides specifically for the acknowledgment that the two (2) parcels have been divided and formal ownership is recognized as Wilkins Redevelopment, LLC for the Wilkins Building and Blackbird Investments, LLC for the east parcel.
- Wilkins Redevelopment, LLC becomes the sole developer for the Wilkins Building parcel and is subject to the terms and conditions of the development agreement.
- Blackbird Investments, LLC retains ownership of the east parcel and is subject to the obligations under the development agreement and the Skywalk agreement specific to the use of the east

parcel and the construction, operation, maintenance and use of skywalk corridors and the temporary skywalk corridor on the east parcel.

- In May 2015, Blackbird Investments, LLC signed a purchase agreement with The Alexander Company for the purchase of the entire Younkers Block, located on Walnut Street between 7th and 8th Streets. The company consists of five (5) partners, Justin Doyle, Ryan Doyle, Harry Doyle, Hugh O'Hagan, and TJ Jacobs. Blackbird Investments, LLC closed on the sale with The Alexander Company on July 6, 2015.
- The Wilkins Building physical renovation proposed by Blackbird Investments, LLC is the same as that proposed by the Alexander Company. The project elements remain the same, with approximately 10,000 square feet on the ground floor for commercial use, restoration of the former Younkers Tea Room space for banquet and other assembly use, and 60 residential apartments.
- Blackbird Investments, LLC will contribute their portion of costs for the planned streetscape improvements project by the City's required deadline.
- Of the 60 housing units, 29 will be market rate and 31 will be affordable to households at 80% of median income. Of the total units, 32 will be 1-bedroom and 28 will be 2-bedroom.
- The estimated project cost for the Wilkins Building is \$20,000,000. A separate plan will be proposed at a future date for the vacant site to the east under Blackbird Investments, LLC, who retain ownership of the site.

PREVIOUS COUNCIL ACTION(S):

Date: December 21, 2015

Roll Call Number: [15-2125](#)

Action: [First](#) Amendment to Urban Renewal Development Agreement with Blackbird Investments, LLC as Successor to 713 Walnut, LLC for the historic restoration of the Wilkins Building at 713 Walnut Street. ([Council Communication No. 15-666](#)) Moved by Mahaffey to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Issuance of Certificate of Completion for the Wilkins Building project.

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