

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 25, 2016
	Agenda Item No. 29 Roll Call No. <u>16-1212</u> Communication No. <u>16-429</u> Submitted by: Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving Preliminary Terms of Agreement for development of a 50-unit multi-family housing project at 3201 Forest Avenue.

SYNOPSIS:

Neighborhood Development Corporation (NDC) is proposing to assemble five (5) parcels located along Forest Avenue, between 32nd and 33rd Streets to construct a 2-story, 50-unit, multi-family residential project. The project will consist of three (3) buildings: a 20-unit building along Forest Avenue, a 16-unit building along 33rd Street, and a 14-unit building along 32nd Street. The total project cost including acquisition, soft costs, and construction is approximately \$7.6 million.

The Office of Economic Development has negotiated a financial assistance package with NDC to assist with the project which will aid in the elimination of blight and in the provision of housing in this neighborhood. Such assistance will be provided from project-generated tax increment.

FISCAL IMPACT:

Amount: The proposed financial assistance package will consist of a declining percentage of project-generated tax increment revenues based on the following: 100% in years 1-5; 80% in year six (6); 60% in year seven (7); 40% in year eight (8); 20% in years nine (9) and 10. The exact amounts of the installments will be determined by the assessed value as determined by the Polk County Assessor.

Funding Source: Forest Avenue Tax Increment Financing (TIF), to be created.

ADDITIONAL INFORMATION:

NDC has purchased five (5) parcels along Forest Avenue, between 32nd and 33rd Streets. NDC intends to clear the parcels and assemble the property for redevelopment of 50 units of market-rate apartments. Presently, the five (5) parcels (3221 Forest Avenue; 3211 Forest Avenue, 3201 Forest Avenue, 1420 32nd Street, and 1414 32nd Street) consist of two (2) duplexes, two (2) commercial buildings, and a vacant parcel. NDC also tried to purchase the property at 1410 32nd Street, but were unable to come to terms with the property owner. See map of project area below.



The proposed units will be a variety of sizes, consisting of studios, 1-bedroom units, 2-bedroom units, and 3-bedroom units. Due to the proximity to Drake University, NDC expects students to be interested in the units, but the units will be open to all potential renters.

In conjunction with this project, staff is also proposing the creation of a new urban renewal plan – the Forest Avenue Urban Renewal Plan – with the goal of eliminating blight. Of the five (5) parcels within the NDC project and the Plan, four (4) are classified as below normal condition. Generally the area is characterized by underutilized parcels, parcels that are not adequately sized for redevelopment without assemblage with other land, and dilapidated buildings. All of these conditions have the impact of pulling down the economic viability of the area, and create a need for revitalization.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Urban Design Review Board – Proposed financial assistance and preliminary and final design review.
- Plan and Zoning Commission – Review of site plan.
- City Council – Approving Final Terms of Urban Renewal Development Agreement.

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 Administration Building, 400 E. Court Avenue Ste.116. 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.