 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	August 22, 2016
	<b>Agenda Item No.</b>	<b>37</b>
	<b>Roll Call No.</b>	<b><u>16-1415</u></b>
	<b>Communication No.</b>	<b><u>16-471</u></b>
	<b>Submitted by:</b>	<b>Matthew A. Anderson, Assistant City Manager</b>

**AGENDA HEADING:**

Resolution approving first amendment to the urban renewal agreement with College Hill Associates, L.P., for the renovations of College Hill Apartments and the construction of a new commercial office building at 921 6th Avenue and approving proposed amendment to the conceptual development plan.

**SYNOPSIS:**

On June 29, 2016, by Roll Call No. 16-1059, the City Council approved the final terms of an Urban Renewal Development Agreement with College Hill Associates, L.P., (Ownership Entity) and Newbury Management Company (Developer) d/b/a Newbury Living (Frank Levy, President, Newbury Management Company, 3408 Woodland Avenue, Suite 504, West Des Moines, IA 50266) for the renovation of 86 apartment units at 921 6th Avenue and the construction of a new 2-story, 22,400-square-foot Class-A commercial office building. The original agreement was based in part upon the belief that the City owned the excess right-of-way to be vacated and acquired by the Developer to implement the approved Conceptual Development Plan.

It was subsequently discovered that the excess right-of-way is owned by the State of Iowa and the sale of such excess right-of-way is subject to the restrictions set forth in Iowa Code §306.23 which may prevent the City from being able to acquire all of the excess right-of-way from the State for conveyance to the Developer. The proposed amendment to the Development Agreement and Conceptual Development Plan will allow the project to proceed with a smaller parking lot and reconfigured landscaping in the event the City is unable to acquire the excess right-of-way from the State and convey it to the Developer.

**FISCAL IMPACT:**

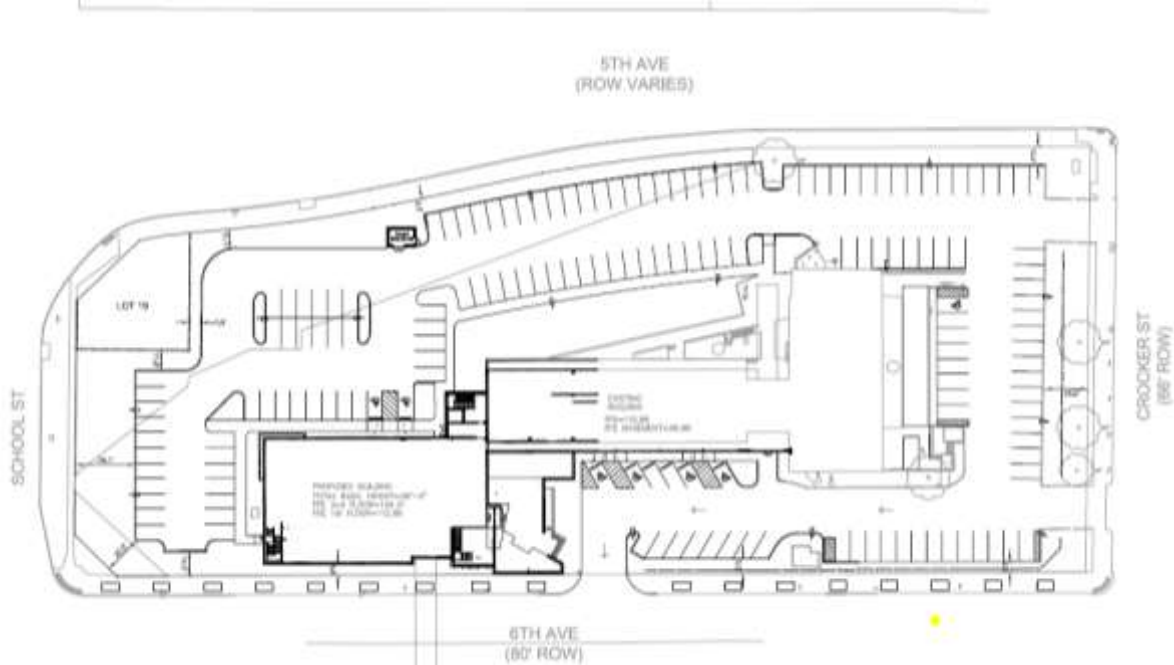
Amount: No change to the proposed TIF funding; however, the land acquisition grant will no longer be part of the incentive package if the City is unable to acquire the right-of-way. The net fiscal impact to the City will remain the same as approved through the original terms which are as follows: An economic development grant equivalent to the purchase price for the right-of-way acquisition along 5th Avenue (\$99,556) and project generated tax increment rebates in years 1-10 at 95% and years 11-15 at 75%. The increment calculations will use a frozen base of \$1,137,621 in taxable valuation for the land and buildings. The total financial assistance package has an estimated net present value (NPV) of \$1.7 million.

Funding Source: Land sale proceeds from the sale of excess right-of-way and project generated tax increment from Metro Center TIF.

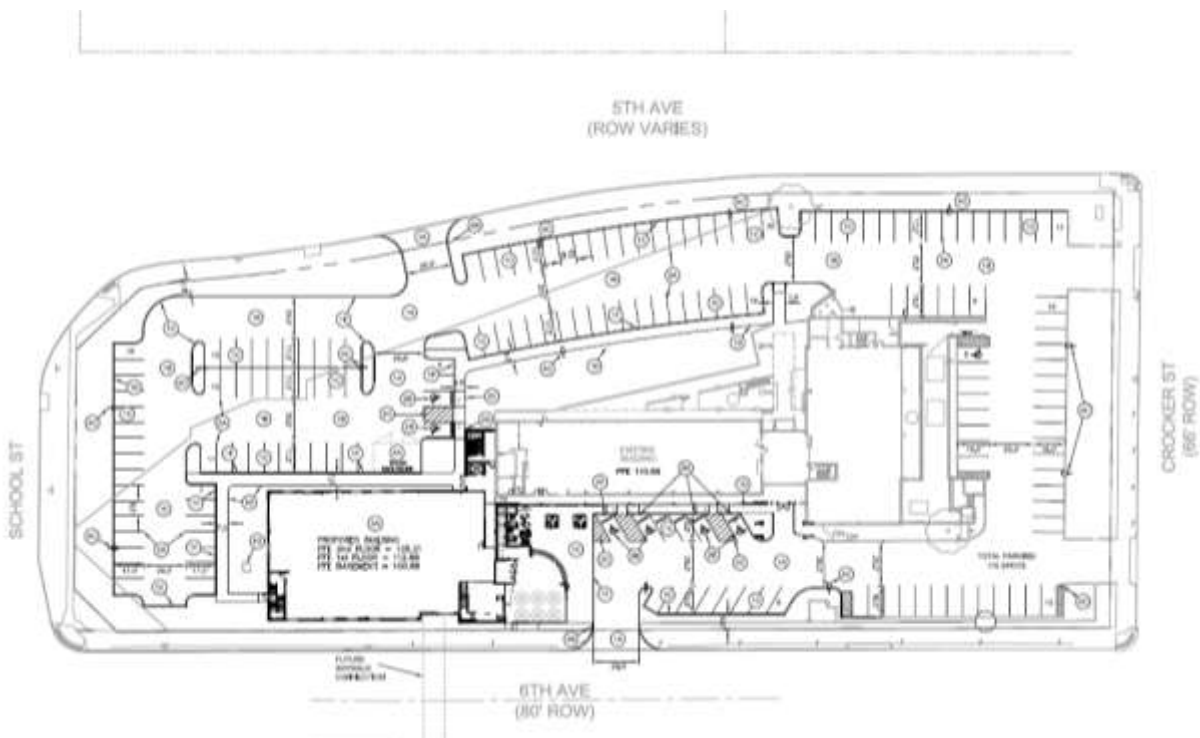
**ADDITIONAL INFORMATION:**

The amendment to the Development Agreement and Conceptual Development Plan adds the following alternate site layout. The original approved site layout is also below as a reference.

Alternate Site Layout



Original Site Layout



**PREVIOUS COUNCIL ACTION(S):**

Date: June 27, 2016

Roll Call Number: [16-1059](#)

Action: [Urban](#) Renewal Development Agreement with College Hill Associations, L.P., for the renovation of College Hill Apartments and the construction of a new commercial office building at 921 6th Avenue and approving Conceptual Development Plan. ([Council Communication No. 16-336](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: June 14, 2016

Resolution Number: N/A

Action: Motion to approve the final design, pending the developers work with staff to respond to the comments and concerns of the Board by Reynolds. Seconded by Hielkema. Yes = 9; No = 0, Absent = 2, Abstain = 0. Motion to approve the financial assistance package as presented by MacRae. Seconded by Weisenbach. Yes = 9; No = 0, Absent = 2, Abstain = 0.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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