

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 19, 2016
	Agenda Item No.	34
	Roll Call No.	<u>16-2165</u>
	Communication No.	<u>16-723</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution approving Urban Renewal Development Agreement with Hubbell Realty Company for the construction of a new 50-unit apartment project at 550 Watson Powell Jr. Way and approving proposed Conceptual Development Plan.

SYNOPSIS:

Hubbell Realty Company proposes construction of a 50-unit, \$8.6 million market rate apartment project at 550 Watson Powell Jr. Way. The project will develop an infill site immediately north of the Wellmark YMCA (YMCA) swimming pool site. The site is difficult to develop due to underground utility constraints, narrow site configuration requiring a single-loaded hallway, and necessary environmental remediation efforts. The Office of Economic Development has negotiated a \$500,000 financial assistance package to help offset the project’s financial gap.

FISCAL IMPACT:

Amount: \$500,000 to be advanced upon approval of final Urban Renewal Development Agreement and land closing by Hubbell Realty Company or a related entity.

Funding Source: Metro Center Tax Increment Financing

ADDITIONAL INFORMATION:

- Hubbell Realty Company has been working with the YMCA to develop a vacant strip of land adjacent to the Wellmark YMCA. The project will complement the YMCA campus and accommodate a planned mural installation in new open space on the YMCA’s west façade. The project features 50 market rate apartments on four (4) floors above one (1) level of parking.
- Investigation by Terracon has determined that the site has recognized environmental concerns (RECs) that include dry cleaners, photo processing, and petroleum. Soil investigations have determined contamination. In addition, Bird’s Run sewer runs through the middle of the site as well as an existing gas line and two (2) fiber optic lines. The development will occupy an area currently used for the YMCA’s stormwater detention. This detention area will be piped to a planned underground system under this proposed building.
- To accommodate the Bird’s Run sewer, a system of ductile iron pipe as well as a structured slab is necessary to protect the sewer during and after construction. Environmentally contaminated soil will be removed to the landfill as opposed to another building site. Over-excavation to a

depth of four (4) feet below the building slab and dirt import is required. Additionally, the project will include a circulation exhaust fan system in the garage, a passive radon system, and a vapor barrier system for enhanced vapor intrusion protection.

- The projected cost of extraordinary utility and environmental work is estimated at over \$650,000. The proposed economic development assistance of \$500,000 will assist in offsetting a portion of these costs. The project is eligible for 10-year tax abatement. Following the abatement period, the total project-generated tax increment is projected to exceed \$1 million in years 11-20.

PREVIOUS COUNCIL ACTION(S):

Date: October 24, 2016

Roll Call Number: [16-1830](#)

Action: [Preliminary](#) Terms of Agreement with Hubbell Realty Company for development of Carbon 550, 550 Watson Powell Jr. Way. ([Council Communication No. 16-622](#)) Moved by Coleman to approve the preliminary terms of agreement as set forth in Council Communication No. 16-622 and to direct the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: December 1, 2016

Resolution Number: N/A

Action: Plan and Zoning Commission approved request from HRC 6th, LLC (developer) for review and approval of a Site Plan for “Carbon 550” on property located at 550 Watson Powell Jr. Way. Corigliano moved staff recommendation for approval subject to conditions. Motion carried 10-0-1 (abstention).

Board: Urban Design Review Board

Date: November 15, 2016

Resolution Number: N/A

Action: Motion to approve final design as submitted noting Board comments by Reynolds. Seconded by C. Nagle. Motion carried. Yes = 7, No = 0, Absent = 4, Abstain = 0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

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