

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	September 26, 2016
	Agenda Item No.	[]
	Roll Call No.	[]
	Communication No.	[]
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Approving First Amendment to the development agreement with East Village Tower Partners, LLC for continued redevelopment of The Lyon Apartments at 605 E. 5th Street, and approving proposed amendment to the Conceptual Development Plan.

SYNOPSIS:

On June 9, 2014, by Roll Call No. 14-0854, the City Council approved an Urban Renewal Development Agreement with East Village Tower Partners, LLC (Troy Strawhecker, Managing Member, 2540 73rd Street, Urbandale, Iowa 50322) whereby the developer undertook the renovation of the existing building to contain 103 market rate apartment units, provide 5,000 square feet of commercial restaurant space and maintain at least 9,000 square feet for a skilled nursing facility, and other site-related improvements. Since the approval of the original agreement, the skilled nursing care facility is no longer in operation, and the tenant has left the premises.

The proposed First Amendment to this Urban Renewal Development Agreement will replace the original document to remove the condition requiring retention of the skilled nursing facility, to allow for this now vacant portion of the building to be converted to 23 market rate apartment units with an additional leased 2,300 square feet ground level commercial space, for a project to be called the Lyon Flats. The amendment also modifies the completion deadline for this additional work to a date of December 31, 2017. Additionally, this action would approve the amendment to the Conceptual Development Plan to include the new scope of work.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

East Village Tower Partners, LLC began renovation work on the former Prime Tower/Heather Manor complex in 2014, and completed a \$10+ million project to convert the tower portion of the building to 103 market rate apartment units with a 5,000 square feet restaurant space on the lower level (restaurant slated for fall 2016 opening). It was originally contemplated that the existing skilled nursing wings on the south side of the building would be retained, but the previous operator of the skilled nursing facility is no longer operating from this location. Once operations ceased, the opportunity arose to convert the remainder of the facility into additional dwelling units with one additional leased commercial bay that is being targeted towards restaurant users. A future 12-16 unit townhome project is still tentatively planned for the hillside on the west portion of this property, but will be proposed as a separate project at a later date.

Lyon Flats will entail the conversion of the existing one (1) story walkout and two (2) story converted skilled nursing wings of the building into 23 walkup apartment units. The project is intended to have 15 one (1) bedroom studios and 8 two (2) bedroom units that will use the existing on-site parking lot, and will have amenities available that are provided to the other units in the adjacent apartment tower. A landscaped interior courtyard will provide residents with a private, on-site open space amenity, in addition to the outdoor patios provided on each unit. A 2,300 square feet speculative commercial space is also being proposed for the southwest corner of the lower level of this building, which should have visibility to Des Moines Street on the south.

The developer is not seeking additional City financial assistance, but will utilize 10-year, 100% tax abatement and will be applying for Workforce Housing Tax Credits from the Iowa Economic Development Authority (IEDA). The previously approved Economic Development Agreement will be amended to reflect the revised number of dwelling units and commercial space within in the total project, striking a provision requiring the skilled nursing facility to be retained. The amended agreement will also allow for a modified date of completion of the project to December 31, 2017.

PREVIOUS COUNCIL ACTION(S):

Date: July 25, 2016

Roll Call Number: [16-1213](#)

Action: [Issuance](#) of a Certificate of Partial Completion for the mixed-use project by East Village Tower Partners, LLC at 600 E. 5th Street. **Moved by Hensley to adopt. Motion Carried 7-0.**

Date: June 9, 2014

Roll Call Number: [14-0854](#)

Action: [Urban](#) Renewal Development Agreement with East Village Tower Partners, LLC for the redevelopment of 600 E. 5th Street and approving proposed conceptual development plan. ([Council Communication No. 14-259](#)) **Moved by Hensley to adopt. Motion Carried 7-0.**

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: May 1, 2014

Resolution Number: N/A

Action: Plan and Zoning Commission voted 10-1-1 to recommend approval of the site plan for conformance with Multi-Family Design Guidelines.

Board: Urban Design Review Board

Date: November 19, 2013

Resolution Number: N/A

Action: Motion by Clark, seconded by Rypma to approve the final design and financial assistance as proposed. Motion carried. Yes = 7, No = 3, Absent = 0, and Abstain = 0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Issuance of Economic Development Certificate of Completion upon project completion.

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