

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: May 8, 2017
	Agenda Item No. 42 Roll Call No. <u>17-776</u> Communication No. <u>17-402</u> Submitted by: Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution approving final terms of an Urban Renewal Development Agreement with H. Glass Partners, LLC for the historical restoration of the existing vacant commercial building at 212 E. 3rd Street, and setting date of hearing for conveyance of adjacent City-owned property.

SYNOPSIS:

The developer, H. Glass Partners, LLC (represented by Jeremy Cortright, Paul Cownie, and Tim Rypma, 108 3rd Street, Suite 219, Des Moines, IA 50309) is proposing the restoration of the existing 10,500-square-foot building located at 212 East 3rd Street in the East Village for purposes of creating upper-floor office space and ground floor restaurant or retail use. The project is anticipated to cost \$2.9 million, with construction projected to begin in spring 2017.

The Office of Economic Development has negotiated final terms of an Urban Renewal Development Agreement with H. Glass Partners, LLC for financial assistance to consist of project-generated tax increment financing (TIF) to assist with extraordinary development costs and fill a gap in the project’s anticipated operating expenses.

FISCAL IMPACT:

Amount: The negotiated financial assistance package will consist of a declining percentage of project-generated tax increment revenues based on the following: 90% in years 1-5, 85% in years 6-9, 80% in years 10-12, and 75% in years 13-15, due in 15 annual payments. The estimated total assistance package will have a net present value (NPV) of \$419,000.

Funding Source: Metro Center TIF- a specific fund code will be assigned by the Finance Department.

ADDITIONAL INFORMATION:

- This \$2.9 million project consists of the historic renovation of a vacant warehouse building in a redeveloping area of the East Village.
- Proposed uses include first floor restaurant/retail space and second floor office space.
- The building will be renovated in conformance with State Historic Preservation Office standards, and is intended to be placed on the National Register of Historic Places upon project completion.
- Staff believes that this building contributes to the character of the Historic East Village neighborhood.

- Planning analysis concludes that retaining the building will not encumber the redevelopment of other portions of this large block.
- The Polk County Assessor's Office currently lists the building in "Below Normal" condition, and the property is currently only assessed \$145,000. It is estimated that once the property is rehabilitated and reoccupied, the assessed value would increase to \$1.2 million dollars.

PREVIOUS COUNCIL ACTION(S):

Date: April 17, 2017

Roll Call Number: [17-0682](#)

Action: [H. Glass Partners, LLC](#) for a historic building rehabilitation project at 212 E. 3rd Street. ([Council Communication No. 17-381](#)) Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Plan and Zoning Commission

Date: May 4, 2017

Resolution Number: N/A

Action: Plan and Zoning Commission approved site plan for 212 E. 3rd Street under design guidelines in "C-3B Zoning Districts". Motion to approve Carried 13-0.

Board: Urban Design Review Board

Date: April 11, 2017

Resolution Number: N/A

Action: A consensus of the members present recommended final approval of the design and financial assistance package as presented.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Approval of conveyance of adjacent City-owned land, and Certificate of Completion upon project completion.

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