

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b>	November 20, 2017
	<b>Agenda Item No.</b>	<b>57I</b>
	<b>Roll Call No.</b>	[ _____ ]
	<b>Communication No.</b>	<b><u>17-811</u></b>
	<b>Submitted by:</b>	<b>Erin Olson-Douglas, Economic Development Director</b>

**AGENDA HEADING:**

Resolution approving Assignment and Assumption of Urban Renewal Agreement with Macerich Southridge Mall LLC, Southridge Adjacent LLC, and Southridge Apartments Partners, L.P., to permit the sale of a portion of the Southridge Mall for a multiple-family housing project; approving a Collateral Assignment to Citibank, N.A., for construction financing; and approving a Conceptual Development Plan for such project.

**SYNOPSIS:**

Southridge Apartments Partners, L.P. (TWG Development, Sam Rogers, Development Director, 333 N. Pennsylvania Street, Suite 100, Indianapolis, IN 46202) is proposing a \$39.6 million multi-family housing project to construct 288 dwelling units directly south of the Southridge Mall Redevelopment Area, which has been under a revitalization and repurposing effort with SDG Macerich since 2012.

Under the terms of the City’s development agreement with SDG Macerich Southridge LLC, the master developer is permitted to allow for an assignment of projected tax increment (TIF) benefits to individual projects. The agreement provides for 100% of the new TIF generated in the entire project boundary to be provided to the developer for 10 years, followed by 75% of the increment for five (5) years.

The TWG apartment project is not eligible to receive multifamily tax abatement under the City of Des Moines Urban Revitalization Plan.

This action also provides the City’s consent to assignment of the development agreement to Citybank, N.A. as the entity that will provide construction financing for the project.

Each project proposed in the Southridge Mall redevelopment area must undergo design review by the Urban Design Review Board. Additional information is included below.

**FISCAL IMPACT:**

Amount: Economic Development Grant equal to 100% if the new tax increment generated in the first 10 years, and 75% of the new tax increment for five (5) years, for a total of assistance period of 15 years with an estimated assistance value of \$6,374,667.

Funding Source: Project generated tax increment in the Southside Urban Renewal Area.

**ADDITIONAL INFORMATION:**

- The project will consist of 10 3-story buildings containing 112 1-bedroom units and 176 2-bedroom units, detached garage structures, and a community clubhouse building featuring a swimming pool on the southwest corner of the site.
- Approximately 259 of the dwelling units within the project will be designated as affordable at the 60% area median income level, with the remaining 29 units renting at market rates.
- The Urban Design Review Board offered comments and recommendations to enhance the project design at the preliminary and final review meetings.
- The Board requested additional information on certain elements of the building's construction in order to better understand how the proposed materials would be applied to ensure long-term quality and durability for the project.
- The Board also requested that pedestrian connectivity between the apartment project and DMACC/Southridge Mall be more specifically identified in order to ensure a positive pedestrian experience.
- Staff strongly feels that at a minimum, the additional building material detail information and better solution for a pedestrian route(s) connecting this project to Southridge Mall shall be provided prior to the project being completed.
- Staff recommends the approval of the Conceptual Development Plan at this time. Staff has received a communication from Southridge Apartments Partners, L.P. identifying actions taken to address the Urban Design Review Board's concerns.

**PREVIOUS COUNCIL ACTION(S): NONE****BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: November 14, 2017

Resolution Number: N/A

Action: Recommend approval subject to seeing additional design information on the following:

- Color samples of the proposed architectural materials that also show texture of fiber cement board and sizing of brick to be used.
- Drawings that show critical design details of how the jointing of fiber cement board siding will meet at corners, the roof parapet, soffits, and decorative entrance canopies.
- Color building elevations that demonstrate how the mechanical venting is integrated into the exterior wall.
- Design details showing the north/south pedestrian sidewalk connections to Southridge Mall and DMACC. A focus should be given on providing a pleasant and welcoming pedestrian experience.
- Study providing a continuous pedestrian route and possibly eliminating some parallel parking stalls on the south drive approach to provide better access to green space to the south.

- Work with staff to see how to change the drive approach widths to 22-feet rather than the current 26-feet, to provide a more conducive pedestrian environment.
- Explore making the landscaping on the south periphery of the parking lot and around the retention basin more naturalized in form rather than lineal. Additionally, study making the shape of the retention basin more naturalized in form.

Board: Plan & Zoning Commission

Date: November 2, 2017

Resolution Number: N/A

Action: Moved staff recommendation for approval of the site plan under design guidelines for multiple-family dwellings subject to conditions. Motion by David Courard-Hauri, motion carried 12-0.

Board: Urban Design Review Board

Date: April 11, 2017

Resolution Number: N/A

Action: A consensus of the members present recommended approval of the preliminary design, TIF assignment, and amended conceptual development.

#### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Certificate of Completion for the TWG Southridge Apartments Project.
- Future projects under the Southridge Mall Redevelopment Plan.

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