

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: July 23, 2018
	Agenda Item No. 29 Roll Call No. [] Communication No. <u>18-376</u> Submitted by: Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution approving first amendment to the Urban Renewal Development Agreement with RE3, LLC.

SYNOPSIS:

On April 23, 2018, the City Council approved an Urban Renewal Development Agreement with RE3, LLC (Tim Rypma, Member, 102 Court Avenue, Suite 204, Des Moines, IA 50309) for the adaptive reuse and historic restoration of the 7,600-square-foot building located at 440 East Grand Avenue.

The purpose of this first amendment is to allow for a deferral of the work to underground the utilities and upgrade the street light pole located along East 5th Street until August 5, 2020. This deferral will provide a cost savings to the developer and efficiencies to MidAmerican Energy by allowing the utility undergrounding work, that needs to occur on this block, to be coordinated at the same time. The timing of the deferral is aligned with the timing for the second phase of the mixed-use project proposed by Nelson Development 1, LLC on this same block.

Staff recommends approval of this amendment subject to the approval of the development agreement proposal from Nelson Development 1, LLC for the project located at 418 East Grand. If for any reason the Nelson Development 1, LLC proposal is not approved at the July 23, 2018 Council Meeting, staff would not recommend approval of this amendment.

FISCAL IMPACT:

Amount: Approval of the deferral does not have any impact to the financial incentives already agreed upon in the development agreement. A personal guarantee has been provided from the developer for the cost of the work to be completed on or before August 5, 2020.

Funding Source: N/A

ADDITIONAL INFORMATION:

- The City, along with the two (2) development teams, will coordinate all of the utility undergrounding work on this block to occur at the same time with MidAmerican Energy on or before August 5, 2020.

- The City has secured personal guarantees for the cost of the work from both developers as part of their respective development agreements.

PREVIOUS COUNCIL ACTION(S):

Date: April 23, 2018

Roll Call Number: [18-0700](#)

Action: [Urban](#) Renewal Development Agreement with RE3, LLC for the historic renovation of 440 E. Grand Avenue into a mixed-use residential and commercial development. ([Council Communication No. 18-194](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: March 27, 2018

Resolution Number: N/A

Action: Motion to recommend approval by Barnum. Seconded by Nagle. Motion carried. Yes = 8, No = 0, Absent = 1, Abstain = 1.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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