


# COUNCIL COMMUNICATION

	Number:	<b>20-003</b>	Meeting:	<b>January 13, 2020</b>
	Agenda Item:	<b>43</b>	Roll Call:	<b>20-0073</b>
	Submitted by:	<b>Erin Olson-Douglas, Economic Development Director</b>		

## AGENDA HEADING:

Resolution Approving First Amendment to the Urban Renewal Development Agreement with Nelson Development 1, LLC, to purchase and develop City-owned Property at 418 East Grand Avenue in the Metro Center Urban Renewal Area.

## SYNOPSIS:

On July 23, 2018, the City Council approved an Urban Renewal Development Agreement for the sale of two (2) surface parking lots located at 418 East Grand Avenue for private redevelopment with Nelson Development 1, LLC (Michael Nelson, President, Nelson Development, 216 6<sup>th</sup> Avenue, #200, Des Moines, IA 50309).

The first amendment provides for a minimum assessment agreement needed for financing the second phase of the project and an extension for closing on the remaining purchase of land from November 1, 2019 to March 1, 2020.

## FISCAL IMPACT:

Amount: N/A

Funding Source: The financial terms of the agreement are not impacted by the 1<sup>st</sup> Amendment.

## ADDITIONAL INFORMATION:

- The first phase of the project, a 3-story, approximately 399-stall parking structure has received partial certificates of completion for all three (3) levels.
- The Developer will commence construction on the second phase of the project this spring. Phase two (2) of the project consists of a 5-story, mixed-use building with approximately 36,000-square-feet of commercial, retail, and office space on the ground floor and second story and approximately 105 residential apartment units on the upper three (3) stories.
- The development team is requesting a minimum assessment of \$4,923,900 for the commercial portion of the building and \$11,385,000 for the residential portion of the building.

**PREVIOUS COUNCIL ACTION(S):**

Date: October 14, 2019

Roll Call Number: [19-1646](#), [19-1647](#) and [19-1648](#)

Action: [On](#) vacation of subsurface rights and air rights in portions of E. 4<sup>th</sup> Street and E. Grand Avenue right-of-way adjoining 418 E. Grand Avenue and conveyance of a permanent easement for subsurface building encroachment on City property and a permanent easement for air space above City-owned property to Nelson Development 1, LLC, \$12,630. Moved by Gatto to adopt. Motion Carried 7-0.

- (A) [First](#) consideration of ordinance above. Moved by Gatto that this ordinance be considered and given first vote for passage. Motion Carried 7-0.
- (B) [Approving](#) Amended Conceptual Development Plan for Phase 2 of Development. ([Council Communication No. 19-451](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: August 20, 2019

Resolution Number: N/A

Action: A consensus of the members present recommended approval of the final design as presented.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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