


COUNCIL COMMUNICATION

	Number:	24-494	Meeting:	December 9, 2024
	Agenda Item:	26	Roll Call:	24-1642
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving the first amendment to an urban renewal development agreement with Valo Apartments, LLC (Brent Dahlstrom, Managing Partner, Merge LLC, 604 Clay Street, Cedar Falls, IA 50613) for the construction of a \$22 million, 108,000-square-foot mixed-use development at the southeast corner of 25th Street and Carpenter Avenue, across from Drake University.

SYNOPSIS:

The City Council approved an Urban Renewal Development Agreement for this project on March 7, 2022. The expectation was that construction would be completed by December 31, 2024, with contingencies for minor and major delays of June 30, 2025, and December 31, 2025, respectively. Due to delays with construction materials and higher interest rates, construction has not yet started, though demolition has concluded. Staff is recommending that the dates within the agreement be amended to the following:

Commence Construction – March 31, 2025

Complete Construction – December 31, 2026

Minor Delay – June 30, 2027

Major Delay – December 31, 2027

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- The proposed building will be located east of Drake University, on the northern half of a 2.65-acre block bounded by 24th Street, 25th Street, University Avenue, and Carpenter Avenue.
- The entire 2.65-acre block consists of 11 parcels, two (2) of which are owned by U.S. Bank, and two (2) of which are owned by Varsity Cinema affiliates. The balance of the parcels were owned by Drake University and were largely tax-exempt. In 2022, Merge, LLC purchased the northern four (4) parcels from Drake University for this project, which will make those parcels taxable. Drake still owns three (3) parcels on the south half of the block.
- The proposed project will be Phase 1 and will eventually conclude with the development of the southern half of the block along University Avenue (Phase 2).

- The mixed-use project proposes 10,000 square feet of commercial space, and approximately 116 dwelling units, 22-24 each of five (5) different sizes: studios of 400 square feet; studio plus units of 450 square feet; one (1)-bedroom units of 550 square feet; one (1)-bedroom plus units of 650 square feet; and two (2)-bedroom units of 900 square feet.

PREVIOUS COUNCIL ACTION(S):

Date: March 7, 2022

Roll Call Number: [22-0337](#)

Action: [Final](#) terms for an Urban Renewal Development Agreement with Merge, LLC for the southeast corner of 25th Street and Carpenter Avenue, across from Drake University. ([Council Communication No. 22-105](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

City Council – Certificate of Completion

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