


COUNCIL COMMUNICATION

	Number:	26-126	Meeting:	April 6, 2026
	Agenda Item:	17	Roll Call:	26-0435
	Submitted by:	Carrie Kruse, Economic Development Administrator		

AGENDA HEADING:

Resolution terminating the Agreement with 6th Avenue Corridor, Inc. (6AC) for the early transfer of funds and direction to return funds to 6AC.

SYNOPSIS:

In May 2023, the 6th Avenue Corridor Board transferred matching funds for Phase 3 of the 6th Avenue Streetscape (I-235 to University Ave) to the City early. The match had not yet been requested by the City for the project, but 6AC requested the early transfer in an effort to be able to earn interest on the amount. Since 2023, the City has determined that City funds will be used for the Streetscape's third phase in an effort to be consistent on how similar improvements have been made throughout the City north of I-235. No match from 6AC will be required. Due to the money no longer being needed for Phase 3, 6AC has requested the money to be returned.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

- During the design phase, the Engineering Department determined that Phase 3 will not be like Phases 1 and 2, but rather more similar to other improvements the City has paid for in other locations near I-235. In an effort to be consistent, they determined that matching funds from 6AC would not be required.
- Section 6 of the agreement (below) addressed the potential for Phase 3 not going forward as planned. The agreement did not anticipate a change in how Phase 3 would be funded, therefore, staff has recommended Council approve a termination action of the agreement and direct the funds to be returned to 6AC.

In the event Phase 3 of the 6th Avenue Streetscape Project is not constructed on or before December 31, 2030, or in the event the parties mutually determine Phase 3 will not go forward, the Agreement shall be immediately terminated upon the delivery of said Phase 3 Funds to 6AC.

- The agreement directed that 6AC will receive 25% of interest earned from the deposit. The original \$225,000 deposit will be returned to the 6th Avenue Corridor, as well as \$7,076.48 in interest, for a total of \$232,076.48.

PREVIOUS COUNCIL ACTION(S):

Date: May 22, 2023

Roll Call Number: [23-0753](#)

Action: [Agreement](#) with 6th Avenue Corridor, Inc. for the early transfer of funds to City. ([Council Communication No. 23-246](#)) Moved by Gatto to adopt. Second by Boesen. Motion Carried 6-1.
Absent: Sheumaker

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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