



Agenda Item:

60

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 2/23/04

Communication No.:

04-097

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Approve the execution of urban renewal contract with Neighborhood Development Corporation for Disposition Parcel No. 98-B-Metro Center Urban Renewal Area (1600-1620 6th Avenue).

SYNOPSIS—

This action opens and closes a public hearing on the sale of City-owned property located at 1600-1620 6th Avenue to the Neighborhood Development Corporation (Carol Bower, Executive Director, 1912 6th Ave./Des Moines) for redevelopment and approves execution of the urban renewal contract for the sale of the property.

FISCAL IMPACT—

NDC proposes to use up to \$635,000 in allocated CDBG funds for the reconstruction of the Wherry Building. The remaining funds for the Phase I development will be provided by NDC. Tax abatement is eligible by "right" for development projects in this area.

RECOMMENDATION—

Approval

BACKGROUND—

Previously, at it January 12, 2004 meeting, the Council accepted the developer-initiated proposal for this property from the NDC and indicated the City would execute the urban

renewal contract with NDC if no competing proposals were received by the morning of February 23, 2004. No requests for the necessary documents to prepare a competing proposal have been received and it is anticipated that no competing proposals will be presented to the City.

Upon execution of the urban renewal contract, NDC will be required to submit evidence of financing commitments for the project and final design plans before the property can be conveyed. It is anticipated these items will be brought to the Council for approval within the next month.

Redevelopment Proposal

NDC will rehabilitate a National Register of Historic Places' structure – known as the Wherry Block Building (1600 6th Ave.) – and undertake new adjacent construction that will provide neighborhood commercial/retail space and housing. It has proposed to phase the development as:

Phase I:

The first phase involves rehabilitation of the Wherry Bldg. with retail/commercial on the first floor and residential; units on the 2nd floor and construction of a one story building directly to the north for additional commercial/retail uses. The buildings will front 6th Ave. with access to vehicle parking located behind the buildings.

Tenants for the commercial retail space have been identified. Phase I should be completed by the end of 2004.

The estimated cost of Phase I is about \$910,000 with \$650,00 provided through the City's CDB program and the remainder financed by NDC. Tax abatement (10 year/100% will be utilized.) NDC has requested the sales price of the property be set at \$1.

Phase II

NDC has proposed construction, within the next 4 years, of an approximate 16,300 sq. ft. one story building north of the Wherry Building addition that would front 6th Ave., using a comparable architectural style to the Wherry Building. Financing and tenants have not been identified.