



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 06/20/05
Agenda Item Type: Resolution

Communication No.: 05-354
Roll Call No.:

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution Approving the First Amendment to Urban Renewal Development Agreement with Metro Lofts, LLC, including the Revised Conceptual Development Plan for Metro Lofts (Lander-Sherman Urban Development LLC, George Sherman, President and Owner, Sherman Associates, 233 Park Avenue South Suite 201, Minneapolis, MN), a project containing at least 70 residential condominium units immediately north of Vine Street between 2nd and 3rd Streets.

SYNOPSIS—

On the June 20, 2005 Council agenda are two items relating to the Metro Lofts development project.

- The first is a communication from the Urban Design Review Board regarding their review of the Metro Lofts revised conceptual development plan.
- The second is the resolution to approve the First Amendment to the Urban Renewal Development Agreement for Metro Lofts, including the revised conceptual development plan. The revised conceptual development plan is on file in the office of the City Clerk.

FISCAL IMPACT—

These actions do not change the City's financial obligations for this project.

RECOMMENDATION—

Approval

BACKGROUND—

On February 7, 2005 by Roll Call 05-352, the City Council approved an Urban Renewal Development Agreement with the developer, Lander-Sherman Urban Development LLC for the property owned by the Neighborhood Improvement Corporation (NIC) north of Vine Street between 2nd and 3rd Streets.

The Developer proposes to construct 70 to 80 condominiums with underground parking directly west of the Vine Street Lofts apartment development. The total construction cost is over \$20 million, including underground parking.

On May 9, 2005 by Roll Call 05-1157, the Council approved the Conceptual Development Plan for Phase I of the project. Due to costing issues, the development team has redesigned Phase I with the following changes to the conceptual development plan:

1. The two northern-most buildings have been linked in the middle with a 2-story addition setback 6'-0" from the face of the main buildings.
2. The new "link" will contain two small units per floor for a total of 4 additional units. The first and second floors are identical except for the entry vestibule on the first floor.
3. Private and public balconies will be constructed on the link's roof; a corridor will connect the two buildings.
4. The second story (4th floor) is eliminated for the two-story units except for those facing Second Avenue and Third Street.
5. The Second Avenue and Third Street elevations are unchanged. The fourth floor units are deleted except at building ends. The quantity of brick at the building ends is increased for the entire four-story portion.

These design changes also require the Urban Renewal Development Agreement be amended as follows:

1. The number of buildings is reduced from four to three buildings.
2. The payment of the economic development grant be modified.
 - a. *Second Installment*--\$500,000 will be released when Phase I -the first building- is at least 60% complete and the Developer has presented evidence of financing sufficient to complete the Phase I building.
 - b. *Third Installment* (formerly 3rd and 4th Installments): \$250,000 will be released upon issuance of either a certificate of partial completion or a certificate of occupancy for the Phase I building but in any event, not earlier than July 2, 2007.
 - c. *Fourth Installment* (formerly 5th Installment): \$125,000 will be paid upon issuance of a certificate of partial completion for the second condominium building or the certificate of occupancy for the second condominium building, not earlier than July 2, 2007.
 - d. *Final Installment*: \$125,000 will be released upon issuance of a certificate of partial completion for the third condominium building or the certificate of occupancy for the third condominium building but in no event earlier than July 2, 2007.



