

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date: August 14, 2017
	Agenda Item No. 62D Roll Call No. <u>17-1415</u> Communication No. <u>17-575</u> Submitted by: Erin Olson-Douglas, Economic Development Director

AGENDA HEADING:

Resolution approving final terms of an Urban Renewal Development Agreement with TWG Development, LLC d/b/a District at 6th, LLC for a multi-family housing project at 201 SE 6th Street.

SYNOPSIS:

TWG Development, LLC (Tony Knoble, President, 333 N. Pennsylvania Street, Suite 100, Indianapolis, IN) proposes to redevelop an industrial site with a new 4-story, 213 unit multi-family apartment building with underground parking and approximately 2,600 square feet of ground floor commercial use on a full block between SE 6th and SE 7th Streets and the former East Elm Street and East Market Street alignments. The \$40.6 million project, identified as District at 6th, includes the construction of East Elm Street as a public street, a pedestrian street plaza concept along the former East Market Street alignment, an inset parking area along SE 6th Street, an urban cross section and streetscape at SE 7th Street and undergrounding of overhead electrical. Additionally, TWG Development, LLC has committed to an affordable housing component; 10% of the units will have a rent structure targeted to those earning approximately 80% of the area’s median income (AMI), expected for a minimum term of the life of the 20 year development agreement.

Staff has negotiated a financial assistance package to support the implementation of structured parking, infrastructure, and affordable units. The proposed incentives provide gap funding for the capital investment of this pioneering project in the emerging Market District.

FISCAL IMPACT:

Amount: The financial assistance package will consist of Metro Center Urban Renewal Area tax increment funds paid in 20 semi-annual payments of \$175,000 beginning in December 2020 for a total of \$3,500,000. The project will also apply for 10-year tax abatement

Funding Source: Metro Center TIF – a specific fund code will be assigned by the Finance Department.

ADDITIONAL INFORMATION:

- This project is a major step towards realizing the plan for a mixed-use urban district as envisioned in the City’s May 2010 Market District of East Village Urban Design Study. The district is currently occupied by the City’s Public Works and Fleet facilities, the main Police Station, maintenance and operations warehouses for Mid-American Energy, a salvage yard and a collection of industrial and warehouse uses. Set on a full block currently occupied by a

recycling business on the eastern edge of the Market District, this project responds to the recent reinvestment in a 3-story office building across the street at 220 SE 6th Street and has the potential to stimulate additional nearby development.

- District at 6th includes a mix of studio, one (1) bedroom, two (2) bedroom units on four (4) floors over a full block of underground parking. The buildings are designed in a courtyard configuration with residential amenities, including a pool and landscaping located in the courtyard. The East Market Street pedestrian street plaza will be a privately-owned open space with public access, serving as an amenity to other redevelopment in the area. Street-facing elevations are proposed to be constructed using primarily brick with large window openings and steel balconies.
- The property at 201 SE 6th Street is currently assessed at \$542,100. It is estimated that upon project completion, the site would have a projected assessed valuation of at least \$26 million.
- Staff requested that the company include affordable units to address rising rents in the downtown market. TWG Development has agreed to make 10% of the units in District at 6th available to those earning 80% AMI.
- The project creates much needed infrastructure in this area. The construction of Elm Street between East 6th Street and East 7th Street, a new urban cross section and streetscape at East 7th Street, and an open space amenity at the former East Market Street alignment continues the reinvestment in infrastructure needed to foster redevelopment in the Market District. The project also includes undergrounding of overhead electrical lines at this block.
- TWG Development is an Indianapolis-based development company with several high profile projects in Indianapolis. They have approximately 2,200 units in their portfolio and are in the process of growing to nearly 4,000 units. The company has nearly completed a complicated \$35 million transformation of the former Register and Tribune building into 165 apartment units with ground floor commercial space. TWG Development is also negotiating a multi-family housing project near Southridge Mall, demonstrating their commitment to the local market.

PREVIOUS COUNCIL ACTION(S):

Date: January 23, 2017

Roll Call Number: [17-0135](#)

Action: [Preliminary](#) terms of an Urban Renewal Development Agreement with TWG Development, LLC for multi-family housing at 201 SE 6th Street. ([Council Communication No. 17-034](#)) Moved by Gatto to receive and file and to authorize the City's Office of Economic Development to negotiate a final agreement with TWG Development, LLC, upon terms consistent with the preliminary terms, for future consideration by the City Council. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: July 25, 2017

Resolution Number: N/A

Action: A consensus of the members present recommend approval of the final design noting Board comments and staff recommended modifications.

Board: Planning and Zoning Commission

Date: July 20, 2017

Resolution Number: N/A

Action: Approval of the staff recommendation by John “Jack” Hilmes for Part A) the vacation of the subsurface of the east 2 feet of Southeast 6th Street and the west 5-feet of Southeast 7th Street adjoining the subject to reservation of any necessary easements for all existing utilities in place until such time that they are abandoned or are relocated and approval of Part B) the submitted Site Plan subject to 12 conditions all agreed to by the developer. (Yes = 10, No = 0).

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of private construction contracts for public street and storm sewer improvements adjoining the property.
- Certificate of Completion upon the construction of the project ending.

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