


COUNCIL COMMUNICATION

	Number:	23-429	Meeting:	October 2, 2023
	Agenda Item:	51	Roll Call:	23-1340
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving a Second Amendment to the Amended and Restated Urban Renewal Development Agreement with The District Developer, LLC, to develop the master planned mixed-use redevelopment of 10 blocks of private and City-owned property located in the vicinity of East 4th and East Market Streets.

SYNOPSIS:

The purpose of this Second Amendment to the Amended and Restated Urban Renewal Development Agreement is to adjust timing requirements for The District Developer, LLC's (Paul Hayes, Managing Member, 350 East Locust Street, Suite 309, Des Moines, IA 50309) acquisition of City-owned property in response to current development interest and environmental remediation timing. Under the existing Agreement, The District Developer, LLC (the Developer), is required to purchase City Parcel 1 by October 31, 2023, and City Parcels 3 and 4 by December 31, 2024. The developer would like to proceed with purchasing City Parcel 4 and 3 ahead of schedule, on or before October 31, 2023, and April 30, 2024, respectively, and push back the date of purchase on City Parcel 1 to December 31, 2024.

	Current Agreement:	Amended Agreement:
City Parcel 1	October 31, 2023	December 31, 2024
City Parcel 3	December 31, 2024	April 30, 2024
City Parcel 4	December 31, 2024	October 31, 2023

FISCAL IMPACT:

There are no changes proposed to the financial terms in the development agreement in this amendment. The changes included in this amendment are only regarding the timing requirements for various land acquisitions by the developer.

ADDITIONAL INFORMATION:

- An Urban Renewal Development Agreement for the redevelopment of a substantial portion of the Market District area with The District Developer, LLC was originally approved by the City Council on January 25, 2021. On a redevelopment effort of this scale, it was anticipated that amendments to the agreement may periodically be needed, as real estate market conditions warrant and more is known on the dates related to the construction of public improvements, including the MSC II and streets and utilities in the area.

- Significant building demolition, environmental remediation, and infrastructure work is needed before vertical construction can begin. The Developer's early cost projections to ready the properties for redevelopment and construct necessary infrastructure are in excess of \$25 million. Construction of Phase I and Phase II street infrastructure work has commenced and is expected to continue over the coming years.
- The City-owned land will be sold at the appraised fair market value, less the costs to perform any necessary building demolition and remediate environmental contaminants on the sites. The Developer will need to furnish three (3) bids for this scope of work, and the City will provide an environmental credit on the value of the land equivalent to the lowest of the three (3) bids.

PREVIOUS COUNCIL ACTION(S):

Date: November 21, 2022

Roll Call Number: [22-1801](#)

Action: [First](#) Amendment to the Amended and Restated Urban Renewal Development Agreement with The District Developer, LLC. ([Council Communication No. 22-543](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 6-1. Absent: Sheumaker.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: January 19, 2021

Resolution Number: N/A

Action: Motion to recommend approval of the design as presented noting Board comments including future District-wide signage to come before the Board for design review by Hielkema. Seconded by Wilke-Shapiro. Motion carried. Yes = 6, No = 0, Abstain = 3, Absent = 0.

Board: Plan and Zoning Commission

Date: November 5, 2020

Resolution Number: N/A

Action: The Plan and Zoning Commission voted 14-0 in support of approval of Part A) the City initiated vacation of Raccoon Street from Southeast 4th Street to Southeast 5th Street, and the north/south segment of alley between Southeast 4th Street to Southeast 5th Street from Raccoon Street to East Martin Luther King, Jr. Parkway, Part B) APPROVAL of the City initiated amendment to Section 135-2.18 of the City Code to revise regulations regarding applicability of Design Alternatives for maximum height requirements within the Capitol Dominance Area, Part C) APPROVAL of the developer initiated Large Scale Development plan and City-initiated rezoning being found in conformance with the PlanDSM Creating Our Tomorrow Comprehensive Plan, Part D) APPROVAL of the developer initiated Large-Scale Development Plan for the area, and adoption of it as a revision

to the Market District of the East Village Master Plan element of PlanDSM Creating Our Tomorrow Comprehensive Plan, subject to addition of a table on Sheet 3 indicating maximum building heights outside the identified viewshed protection corridor, Part E) APPROVAL of the submitted Preliminary Plat for “The Market District” subject to the following conditions, Part F) APPROVAL of City initiated request to rezone property in the area west of Southeast 2nd Street from “DX2” Downtown District to “DXR” Downtown District, and rezone the property in the area east of Southeast 2nd Street from “DX2” Downtown District and “P2” Public, Civic and Institutional District to “DX1” Downtown District with the limitation of a Maximum Height for Buildings that is legally described based on the view corridor model established by the Large-Scale Development Plan.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of public improvement plans/private construction contracts for additional street and utility infrastructure work.
- Urban Design Review Board approval of various development projects as they are proposed.

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