



**Request for City Council Committee Action
From the Department of Community Planning & Economic Development**

Date: April 18, 2006

To: Council Member Lisa Goodman, Community Development Cmte
Council Member Paul Ostrow, Ways and Means/Budget Cmte

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**Presenter in
Committee:** Donna Wiemann, Principal Project Coordinator
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Approved by: Elizabeth Ryan, Director of Housing Policy and Development

Subject: Proposed Public Hearing for Central Avenue Lofts Tax
Increment Finance (TIF) Plan, Modification 6 to the Central Avenue
Redevelopment Plan, and Modification 107 to the Common Plans

RECOMMENDATION: Schedule public hearing for consideration of Central Avenue Lofts Tax Increment Finance (TIF) Plan, Modification 6 to the Central Avenue Redevelopment Plan, and Modification 107 to the Common Plans (the "Plans"); and request Ways & Means/Budget Committee review subject Plans and submit its comments at the Community Development Committee public hearing scheduled for May 2, 2006.

Previous Directives: Not Applicable.

Financial Impact (Check those that apply)

- No financial impact - or - Action is within current department budget.
(If checked, go directly to next box)
- Action requires an appropriation increase to the Capital Budget
- Action requires an appropriation increase to the Operating Budget
- Action provides increased revenue for appropriation increase
- Action requires use of contingency or reserves
- Other financial impact (Explain):
- Request provided to the Budget Office when provided to the Committee Coordinator

Background/Supporting Information

Sherman Associates, Inc. proposes to redevelop the site on the southwest corner of Central Avenue and 24th Avenue N.E. The site consists of an existing two-story building

that serves as a US Bank branch office, including a drive-through facility for the bank, and a surface parking lot. The current building is mostly vacant and US Bank desires to physically downsize. The property is zoned commercial and will be rezoned to accommodate the new multi-family residential proposal.

The project will consist of the new construction of a 66-unit rental apartment building, ground floor commercial, underground parking and seven (7) for-sale townhouses. The building will be four floors over underground parking. The apartments will be a combination of one, two and three bedroom units and will be affordable to households at 30%, 50%, and 60% median income as well as market rate units. The ground floor commercial will be approximately 15,118 square feet in size. The existing property owner, US Bank, desires to physically downsize and the redevelopment proposal will accommodate the bank's smaller size in the same location. The bank will lease approximately 4,223 square feet of the ground floor space for its operations, including a drive-through window. The lease term will be 40 years. The underground parking will have a total of 68 parking spaces and there will be a 42-space surface parking lot. The project will create an attractive new building that will fit in well with other buildings along Central Avenue. The estimated total development cost of the rental project is \$13,557,500.

In addition, seven (7) owner-occupied townhomes will be constructed that will face Jackson Street N.E. Each unit will have three bedrooms and will be approximately 1,700 square feet in size. The anticipated sales price of each unit will be in the \$225,000 to \$250,000 range. The estimated total development cost of the ownership project is \$2 million.

The proposed development will address an underutilized site located directly on a major transit and central commercial corridor. The inclusion of the bank back into the redeveloped project will provide a form of stability for the project and neighborhood. The redevelopment of this site has been a priority for the Holland neighborhood for many years.

It is requested that the Community Development Committee schedule a public hearing on the proposed Plans, to be held by the Community Development Committee on Tuesday, May 2, 2006 at 1:30 p.m. Final Council action will be held on Friday, May 12, 2006.

It is requested that the Ways and Means/Budget Committee review the proposed Plans and submit its comments at the public hearing to be held by the Community Development Committee on Tuesday, May 2, 2006.