Council Communication

Department: Community Development	Ordinance No.: N/A	PH & First Reading: 7-12-21
Case/Project No.:	Resolution No.: 21-	

Subject/Title

Resolution setting a public hearing for July 12, 2021 at 7:00 p.m. on the proposal to enter into a purchase, sale and development agreement with 34th and 1st Holdings, LLC

Location

34th and 1st Avenue

Background/Discussion

Background

Starting in 2012, the City began acquiring property in the west end, specifically between West Broadway and 2nd Avenue from 28th Street to 35th Street. Demolition of structures and site grading have occurred and developers have expressed interest in redeveloping some of the property. Because the property is located in the West Broadway Urban Renewal Area, the process for land disposition is dictated by urban renewal law. It is in the best interest of the City to request proposals for the redevelopment of the sites through a RFP process, beginning with the property located between 32nd and 34th Streets from West Broadway to 2nd Avenue.

Knudson Companies proposes a 224 apartment units and 40 townhomes, located both north and south of 1 st Avenue (264 total units). They also have proposed 20,000 square feet of commercial space at the corner of West Broadway and South 34th Street. The project will be constructed in four phases with the commercial component being constructed last. All residential units are proposed to be market rate with a mixture of one and two bedroom units, studios and micro units with rents ranging from $600-$1,500 per month. The project is designed with an occupant and wellness component and incorporates all-inclusive, health-focused strategies into the project. Site amenities include rooftop entertainment patios, outdoor playgrounds, gathering spaces, outdoor plazas and arboretum. Building materials are comprised of brick, stucco, fiber cement and incorporates many Green Building Requirements. The total project investment is expected to be $36,873,140.

Discussion

Staff has worked with Knudson Companies to negotiate the terms of the development agreement. Knudson requests 80% tax increment financing rebate (TIF) for 17 years (from 2024 to 2042) with a maximum rebate amount of $10 million. This will be provided upon completion of each of the three phases incrementally. Additionally, the cost of the land shall be forgiven upon completion of each phase as outlined in the agreement.

Staff Recommendation

Staff recommends City Council set a public hearing for July 12, 2021 at 7:00 p.m. on the proposal to enter into a purchase, sale and development agreement with 34th and 1st Holdings, LLC

Attachments

1) Resolution
2) Draft Development Agreement