



Legislation Details (With Text)

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On agenda: 12/17/2019 **Final action:** 12/17/2019
Title: Resolution Approving a Participation Agreement with the South Elm Development Group LLC for Site Preparation to Support Redevelopment in the South Elm Street Redevelopment Plan Area in an Amount not to Exceed \$323,111

Sponsors:

Indexes:

Code sections:

Attachments: 1. 12-4-19 RCG Meeting Summary.pdf, 2. 12-17-2019 CC SE Map.pdf, 3. SEDG LLC SOS Verification.pdf, 4. 19-0760 CC SE Resolution.pdf

Date	Ver.	Action By	Action	Result
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Resolution Approving a Participation Agreement with the South Elm Development Group LLC for Site Preparation to Support Redevelopment in the South Elm Street Redevelopment Plan Area in an Amount not to Exceed \$323,111

Council Priority: 1) Create an Environment to Promote Economic Development Opportunities and Job Creation; 2) Maintain Infrastructure and Provide Sustainable Growth Opportunities

Department: Planning

Council District: 2

Public Hearing: No

Advertising Date/By: N/A

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PURPOSE: The South Elm Street Redevelopment Plan, adopted in 2006, identifies potential development options for Redevelopment Commission-owned land located at the south intersection of South Elm Street and Gate City Boulevard. The Master Developer for the Commission, South Elm Development Group, LLC (SEDG), has proposed moving forward with site preparation on the west block, to include grading, utilities, and preparation for temporary staging and/or parking as required to support this development. In accordance with their Master Development Agreement, SEDG will administer this work under a Participation Agreement with the City, which requires Council approval.

BACKGROUND: To prepare the west block for temporary use during development of the east block, as well as for future development, the Master Developer has recommended commencing site preparation on the west block. The Master Developer has signed a Memorandum of Understanding with Rea Ventures, LLC, to develop

apartments, structured parking, and commercial/retail space on the east block of the South Elm Street Redevelopment Plan area. Consideration of a Sales/Development Agreement is anticipated for early 2020, with construction to begin later in the year.

The established MWBE goals for this project are MBE 10% and WBE 8%. As part of the Master Development Agreement between SEDG and the Commission, SEDG has committed to a 20% overall MWBE participation rate for the completed redevelopment.

At their December 4th regular meeting, the Commission authorized staff to move forward with site preparation.

BUDGET IMPACT: 2016 Community & Economic Development Bond funds not to exceed the amount of \$323,111, based on an estimate done by Engineering & Inspections, will be used for site preparation. Account #484-2201-01.6025

RECOMMENDATION / ACTION REQUESTED: Council is requested to authorize the City Manager to execute the Participation Agreement document for the South Elm Development Group, LLC, not to exceed the amount of \$323,111 for site preparation to support development within the South Elm Street Redevelopment Plan area.