

COUNCIL ACTION FORM

**SUBJECT: STATUS OF THE DEPOT DEVELOPMENT
AGREEMENT AMENDMENT**

BACKGROUND:

At the April 25, 2017, meeting, the City Council referred to staff a letter from Brian Torresi, representing a then-potential purchaser of “The Depot” property at 500 Main Street (aerial photo of the site is attached) requesting amendments to the existing development agreement regarding parking. **At the May 23 meeting, the City Council directed staff to work with the property owners and prepare an amendment to the development agreement to retain 127 parking spaces for the general public and to allow the owner to designate the use of 71 parking spaces for private use.** This option also noted that specific spaces would be identified and allocated for the general public, that the terms of the parking allowance would be extended to 2067, that the currently relevant standards of the existing agreement would be clarified, and that the language pertaining to the view of the Depot from Main Street and maintaining the historic façade of the Depot building would be maintained.

The proposed amendment to the agreement by Mr. Torresi is to restate the agreement and include only the relevant provisions going forward. With the restatement of the agreement, the original exhibits for the site layout and building architecture would be deleted because the site has been developed. The proposed amendment would retain language concerning changes to the Depot building and a view corridor from Main Street. However, the proposed changes do not address the other buildings on the site.

Staff strongly recommends that any amendment to the agreement must retain the expectation for building entrances along public streets. This was a core concept to the original agreement that was embodied in the exhibits of the development agreement. The original agreement for the development was intended to support downtown with new street facing commercial space and retain the Depot building and this was included in the design plans that accompanied the agreement. Therefore, staff believes that adding one section to the proposed amendment requiring the property owner to maintain active entrances to tenant spaces along public streets would meet the interest of the City from the original development agreement exhibits. Alternatively, the exhibits to the agreement could be retained and the property owner would need to adhere to details of the original approval.

Since the property owner would prefer the amendment not include the stipulation for entrances facing the street and at the same time delete the exhibits, staff is seeking direction from the City Council regarding the issue of entrances along public streets in order to complete the development agreement amendment negotiations.

Mr. Torresi indicates that the owner believes that this condition would limit options for potential tenants by mandating access requirements. The owner proposes to amend the agreement with no language about buildings other than the Depot.

The Board of the Main Street Cultural District was asked at a recent meeting to offer a recommendation on this requirement. They reiterated the content of their letter of May 23rd to the Mayor and City Council in which they expressed support for the City to convert up to 50% of the parking for private use and that they will have an arrangement with the owners to make that parking available during non-business hours, weekends, and select holidays. **The state coordinator of Main Street Iowa was in attendance and he advocated that pedestrian entrances along the street should remain in order to promote an active streetscape.**

Alternatives:

1. Direct staff to include language in the draft agreement to require tenant spaces that abut public streets to maintain an active pedestrian entrance. The other language about the number of spaces, their locations, the historic façade, and the protected view would remain.
2. Direct staff to address only the number of spaces, their locations, the historic façade, and the protected view of the Depot from Main Street with an amendment to the development agreement.

CITY MANAGER’S RECOMMENDED ACTION:

The option selected by the City Council in May specifically said, “To negotiate this option, specific spaces would be identified and allocated to the general public, terms of the parking allowance would be extended to 2067, clarify the currently relevant standards, and to reconfirm the language pertaining to the view of the Depot from Main Street and maintaining the historic facade.”

The draft agreement:

- Identifies the southeastern 19 spaces and the western 52 spaces to be given up for use by the public and allowed to be designated by the owner for tenant use. (See attached aerial.)
- Reserves those spaces for public use for 50 years (to 2067).
- Retains the prohibition on certain encroachments within the 50-foot wide corridor from Main Street to the main entrance of the Depot.
- Requires the owner to retain the historic qualities of the Depot façade.

Staff’s recommended language is intended to address clarification needed from the original agreement. The language regarding active pedestrian entrances abutting streets was brought up during negotiations to retain the pedestrian walkability of the Clark Avenue and Main Street sidewalks in front of the site. The intent of the language is that any tenant space that has one or more entrances on the street (now or in the future), would need to maintain at least one of those as an active entrance into the

building. This is an arrangement that has been followed since the land was redeveloped by Hubbell in the 1990s based on the approved design of the project.

A basic premise for successful downtown and pedestrian commercial districts is a need for an engaging streetscape. Active entrances are the primary and best means of accomplishing this goal. Closing entrances and windows has the effect of creating an uninviting streetscape that is contrary to that of Main Street and walkable commercial areas. Turning a project inwards to itself is a suburban design approach that is inappropriate to a downtown area.

It should be noted that staff's recommended standard should not affect the use of the eastern building at the corner of Clark Avenue and Main Street now or in the future. The building on the west side of the site has one entrance towards Main Street and other entrances from the sides of the building. **The current design and use of the buildings on the site are consistent with staff's recommended language. As tenants change or the interior is reconfigured, an active entrance into the building would need to be maintained for those spaces that abut the street. Additional entrances could be accommodated, but maintaining entrances along the public street would be necessary.**

Therefore, it is the recommendation of the City Manager that the City Council accept Alternative 1, to negotiate an amendment to the development agreement with language to maintain active entrances to tenant spaces along public streets.



198 Number of Spaces in Parking Areas

