



**From:** Andrew D. White, City Manager

**To:** Members of City Council

**Initiated By:** Jeffrey S. Tyler, RA, ACM / Community Development Director

**Re:** Ordinance 2023-15 – AN ORDINANCE TO AUTHORIZE THE EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH GRAND COMMUNITIES, LLC, RELATIVE TO THE ENCORE PARK OF POWELL DEVELOPMENT

**Date:** July 5, 2023

**Summary:**

This ordinance (Ordinance 2023-15) is a request for review and approval to authorize the execution of an Economic Development Agreement (EDA) with Grand Communities, LLC, relative to the Encore Park of Powell development. Ordinance 2023-14 seeks approval of a Final Development Plan including all associated site improvements including a new public street segment (the Depot Street connection from its current terminus at Case Avenue to insect to the north with the segment constructed as part of Morris Station) in conjunction with this ordinance.

Approval of Ordinance 2023-14 will establish the final zoning of this site as Downtown Business District with the details contained in the Final Development Plan for a development of 19 single-family homes along a new public street and .67-acre of open space.

The developer will be seeking a maximum of \$925,302.83 for the public improvements specified in the EDA within 60 calendar days of the completion of the conditional approval process.

**Background**

On November 15, 2016, Resolution 2016-19 was adopted accepting the findings of the Downtown Powell Street System & Circulation Plan, hereafter known as “the Keep Powell Moving Plan.” That plan first recognized the need for a connection from the downtown to Adventure Park by extending Depot Street. The plan established a preliminary cost of \$1,520,000 for the extension and the associated public improvements based upon very preliminary ‘design’ work.

In 2021, City Council received a study that helped to establish the City’s first Capital Improvement Program (CIP). That program document also identified the North Depot Street Extension as a project worthy of consideration to be included in the final CIP adoption. The opinion of costs in the program document was \$1,464,000. This opinion of costs included the proposed roadway extension, concrete curb, sidewalk, storm sewer, sanitary sewer, water, street lighting, traffic control, streetscape and associated updates to provide a neighborhood street connection in the Northwest Quadrant.

The current improvements identified in the EDA are relatively the same as those identified in the CIP but also include on-street parking and a bike path connection. The City will also pay for the correction of the Morris Station detention basin that will assist not only this development but also the Morris Station development to provide adequate stormwater management for both developments, including the public improvements.

City Council adopted Ordinance 2022-36 accepting the proposed budget, including the CIP budget. Although the North Depot Street connection was not identified in the first ten (10) projects that are addressed in the 2023 CIP, there was discussion that the CIP is a flexible program and document that will recognize the necessity of revisions when development pressures arise.

The North Depot Street extension is such a project where the development has been identified and the need to fund the public portion of that development meets the spirit of the CIP.

**Legal Review:**

The Law Director and Community Development Staff have reviewed this Ordinance to ensure compliance with the Law.

**Financial Review:**

The resources for this project, although initially provided for by the developer, will become the responsibility of the City at the time of conditional acceptance per the terms of this agreement. This item is before as a first reading without a request for suspension of rules or adoption as an emergency. However, please keep in mind upon final approval after a second reading a companion appropriation ordinance, in the full amount of the capital cost, must be approved prior to executing the development agreement.

The project is classified as a capital in nature and should be included as part of the CIP. The specific item was not included in the 5-year CIP which will should be updated and funds appropriated to support it by legislative authorization. The project is located within the Downtown TIF which has adequate funds to cover the cost.

Fund 451 'Downtown TIF Public Improvement' is projected to have a balance of \$3.1 million at the end of 2023 with historically low minimum expenditures (=/- \$70,000.00) and annual revenues estimated at \$500,000.00 per year. The completion of the 19 residential properties within this project will have a net positive effect but the specific amount requires further analysis of property valuations and final expenditures associated with the road extension project.

**Recommendation:**

Staff recommends approval of Ordinance 2023-15 at the second reading/public hearing on June 20, 2023.