

## Legislation Details (With Text)

**File #:** BILL NO. 21-71  
**Name:**  
**Type:** Ordinance - Committee  
**Status:** Passed  
**File created:** 4/1/2021  
**In control:** City Council - Regular Session  
**On agenda:** 4/20/2021  
**Final action:** 4/20/2021  
**Title:** An Ordinance approving a Development Structure Agreement for the Downtown Market Center Project. (F&BC 4/12/21)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Ordinance, 2. Development Structure Agreement, 3. Ownership Chart, 4. Organizational Chart

Date	Ver.	Action By	Action	Result
4/20/2021	1	City Council - Regular Session	for second reading	Pass
4/20/2021	1	City Council - Regular Session	approved and numbered	Pass
4/12/2021	1	Finance and Budget Committee	recommended for approval	Pass

An Ordinance approving a Development Structure Agreement for the Downtown Market Center Project. (F&BC 4/12/21)

Issue/Request:

An Ordinance approving a Development Structure Agreement for the Downtown Market Center Project

Key Issues:

Approval of the Development Structure Agreement for the Downtown Market Center project will create the formal engagement of the Master Developer and Manager to assist the City and Downtown Community Improvement District (CID) with the initial steps toward pursuing the redevelopment of the area bounded by 2nd Street to the north, 3rd Street to the south, Green Street on the west and Johnson Street on the east, and extending across Green Street into the area that currently serves as the Civic Plaza for City Hall.

The Development Structure Agreement will pertain to work such as public engagement, preliminary planning, preliminary budget (redevelopment project and programming), programming of public space, and management planning for the project. Once this work is achieved, it is envisioned a future Development Agreement will be structured for the Master Developer, and a Management Agreement structured for the Manager for the project. A visual chart has been prepared that outlines key aspects and roles for the Master Developer and Manager under the Development Structure Agreement.

A Request for Qualifications (RFQ2021-018) was advertised for Professional Development Services (Master Developer) and Professional Management Services (Manager) for the Downtown Market Center project. A total of 13 submittals were received and a selection committee selected six highly qualified companies to interview for these roles. The selection committee was comprised of four City staff members and three Downtown Community Improvement District members. After conducting the six initial interviews, the selection committee selected the top ranking companies to

conduct second round interviews and have further dialogue about the proposed project. After second round interviews, the selection committee is unanimously recommending LANE4 Property Group, Inc. to serve as the Master Developer and Biederman Redevelopment Ventures Corp. (BRV) to serve as the Manager. The Development Structure Agreement creates the framework for which the Master Developer and Manager will work with the City, Downtown Community Improvement District and other stakeholders to bring the project forward.

Proposed City Council Motion:

FIRST MOTION: I move for second reading of An Ordinance approving a Development Structure Agreement for the Downtown Market Center Project

SECOND MOTION: I move for adoption of An Ordinance approving a Development Structure Agreement for the Downtown Market Center Project

Background:

In April 2013 voters approved a general obligation bond issue "for the purpose of constructing and rehabilitating public improvements for cultural arts, including improvements to Legacy Park Amphitheater, the old downtown post office/city hall building, and a downtown outdoor performance and festival space. All projects have been completed with the exception of the downtown outdoor performance and festival space for which \$600,000 was allocated from the general obligation bonds. Since the April 2013 approval, a number of potential sites for the outdoor performance and festival space were conceptually evaluated. Public engagement was solicited in these efforts and the potential sites included the former City Hall annex area, parking lot adjacent to 3rd Street Social, and the area on the east side of Green Street directly across from City Hall. Concept plans were prepared for each site and it was determined that the area along Green Street across from City Hall was the preferred location for the outdoor performance and festival space. As property began to be acquired for the outdoor performance and festival space, a new, larger and multi-faceted concept plan evolved which includes both public and private uses and additional property was acquired for the larger redevelopment project. The current concept plan envisions the outdoor performance and festival space, a farmer's market pavilion, a conservatory and many other ancillary public elements as well as private uses such as a boutique hotel, multi-family apartments, retail, restaurant and office within the envisioned mixed-use redevelopment concept which is attached to this packet.

The City currently owns the redevelopment area with the exception of the AT&T facility and Dr. Zak's office building both of which exist on the SE quadrant of the block.

The Mayor and City Council directed staff to issue a Request for Qualification (RFQ) to solicit interest for a Master Developer and Manager to partner with the City and the CID to pursue the Downtown Market Center redevelopment.

Timeline of Development Structure Agreement scope:

Start: Mid-May 2021

Finish: Mid-November 2021

Other Information/Unique Characteristics:

The City is working with the Downtown Community Improvement District on a Cooperative Agreement for the project which is expected to provide for an estimated \$4 million in funding for the Farmer's Market Pavilion component of the redevelopment project.

Also attached to this packet are conceptual charts with respect to the envisioned process, ownership, and organizational/operational aspects for the redevelopment project.

**\*\*Ownership Chart:** This chart illustrates the conceptual ownership framework for the property in the Project area, and the primary contracts between the primary parties.

**\*\*Organizational/Operational Chart:** This chart illustrates our conceptual approach to the overall organizational structure of the Project, for the construction phase and then the operational phase after construction. The conceptual structure envisions that the City will partner with a Master Developer that will be responsible for designing, engineering and constructing the Project to City specifications. The conceptual structure calls for the City to form a Downtown Market Center Redevelopment Corporation as a single-purpose entity that is controlled by the City and which is responsible for the long-term operations and management of the Project. Under this conceptual structure, the Corporation would enter into a management agreement with a selected Manager, which will be responsible for performing all assigned management tasks for the public components of the Project, and serving as the liaison for coordination with private users and downtown stakeholders.

**\*\*Process Chart:** This conceptual chart provides a high-level overview of the process that the City and other interested stakeholders propose to plan for, fund, design, engineer, construct and operate the Project. This chart also contains a list of the primary contracts that are expected to be used for implementation. As previously mentioned, staff has revised this process chart to place greater emphasis on programming public spaces prior to establishing preliminary design of the entire project with the thought being the programming envisioned for the space(s) should drive the design elements for such spaces.

Mark Dunning, Assistant City Manager  
David Bushek, Chief Counsel of Economic Development & Planning

Recommendation: Staff recommends approval.

Committee Recommendation: The Finance and Budget Committee voted unanimously (4-0) to recommend to City Council for approval of An Ordinance approving a Development Structure Agreement for the Downtown Market Center Project.