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MEMORANDUM Downtown Redevelopment - Council Memo No. DT12-004

DATE: DECEMBER 28, 2011

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER *RD*
 PATRICK McDERMOTT, ASSISTANT CITY MANAGER *PM*
 CHRISTINE MACKAY, ECONOMIC DEVELOPMENT DIRECTOR *CM*

FROM: TERI KILLGORE, DOWNTOWN REDEVELOPMENT MANAGER *TK*

SUBJECT: APPROVAL OF PURCHASE OF A FAÇADE CONSERVATION EASEMENT
 FOR AN AMOUNT NOT TO EXCEED \$148,370 FOR 55 W CHICAGO
 STREET AND 212 S WALL STREET

RECOMMENDATION: Staff recommends approval of the purchase of a Façade Conservation Easement for 39% of eligible project expenses in an amount not to exceed \$148,370 with conditions and based on actual eligible construction costs for the purpose of rehabilitation of the façade at 55 W Chicago Street and 212 S Wall Street.

BACKGROUND/DISCUSSION: The City has set aside funding for Downtown Redevelopment for the purpose of restoring commercial buildings with cultural or historic significance in the Downtown. In return for City funds, the owner of the property grants the City a Conservation Easement. In this exchange, the property owner receives funding to renovate the façade of the structure and the City has an assurance that the structure will be maintained in its culturally significant and renovated state for a 20 year period.

The intent of the project is to do a complete renovation and restoration of the façade of the World War II era former welding shop. The existing structure will be converted in to a new restaurant. As part of the project, the footprint of the building will be maintained with the character enhanced. The original tin roof and concrete beams will be highlighted. New stucco, doors and windows will help the building function more effectively.

This building is within the Façade program eligibility area however it is not part of the City Center District (CCD); therefore, no Architectural Review Committee (ARC) meeting is

required. A rezoning will be required through the Planning and Zoning Commission as the applicant is requesting setbacks that are different than the current zoning allows. The current site plan represented in the application also requires the purchase of 5 feet of right-of-way from the City. Transportation and Development staff have preliminarily found the right-of-way to be eligible for sale, though the details are still being finalized. The façade grant is made on the predication that the necessary zoning approvals, building permits, and right-of-way purchase are all finalized.

The project budget as submitted by the applicant is estimated at \$380,435 for the eligible façade portion of the project. A total grant amount of \$156,500 was requested which represents 41% of the eligible project costs. After an analysis of the other façade grants given by the City, Staff recommends the project be awarded at the historic average of 39% of eligible project costs. This would bring the maximum grant award to \$148,370. The final amount will be determined based on actual construction expenses.

FINANCIAL IMPLICATIONS: Funding for the proposed Façade Conservation Easement Program is available in Downtown Redevelopment funding (101.1290.6211).

PROPOSED MOTION: Move to authorize the purchase of a façade easement for 39% of eligible project expenses for an amount not to exceed \$148,370 for the purpose of restoring the façade at 55 W Chicago Street and 212 S Wall Street.

Attachments:

- Exhibit "A" Legal Description
- Exhibit "B" Scope of Work
- Exhibit "C" Cost Estimates
- Exhibit "D" Vicinity Map
- Exhibit "E" Renderings
- Exhibit "F" Site Plan

EXHIBIT A

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF MARICOPA, STATE OF ARIZONA AND IS DESCRIBED AS FOLLOWS:

Lots 893 and 895, Block I, of Chandler, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 9 of Maps, Page 2;

EXCEPT the west 100 feet of Lot 893 thereof.

EXHIBIT B

SCOPE OF WORK

Applicant Name: 55 CHICAGO LLC

Business Address: 260 N Benson Lane, Chandler, AZ

Contact Name: Peter Sciacca and Rebecca Lavenue

Property Address: 55 W Chicago Street and 212 S Wall Street, Chandler, AZ 85225

Phone: 480 517 9777

Email: peter@1sourceinc.com

Project Summary: This project will renovate a WWII era welding shop in to an exciting new restaurant. The original footprint of the building will be maintained and the character restored. The tin roof and concrete beams of the structure will be retained while new stucco, doors and windows will help bring new functionality to the space. Though not part of this project, the extensively landscaped exterior will almost double the number of patrons that can be served while creating a new place to gather and enjoy the beautiful weather.

Completion of this highly visible property will continue the positive momentum of downtown improvements, specifically spurring additional investment and activity on the recently designated Site 8 block. By improving this previously blighted property, this project will greatly help attract visitors and shoppers.

**EXHIBIT C
COST ESTIMATES**



COMMERCIAL • RESIDENTIAL

Licensed / Bonded / Insured

Facade Improvement for 55 W. Boston St.
Estimated Budget based on Renderings by Mike Flanders

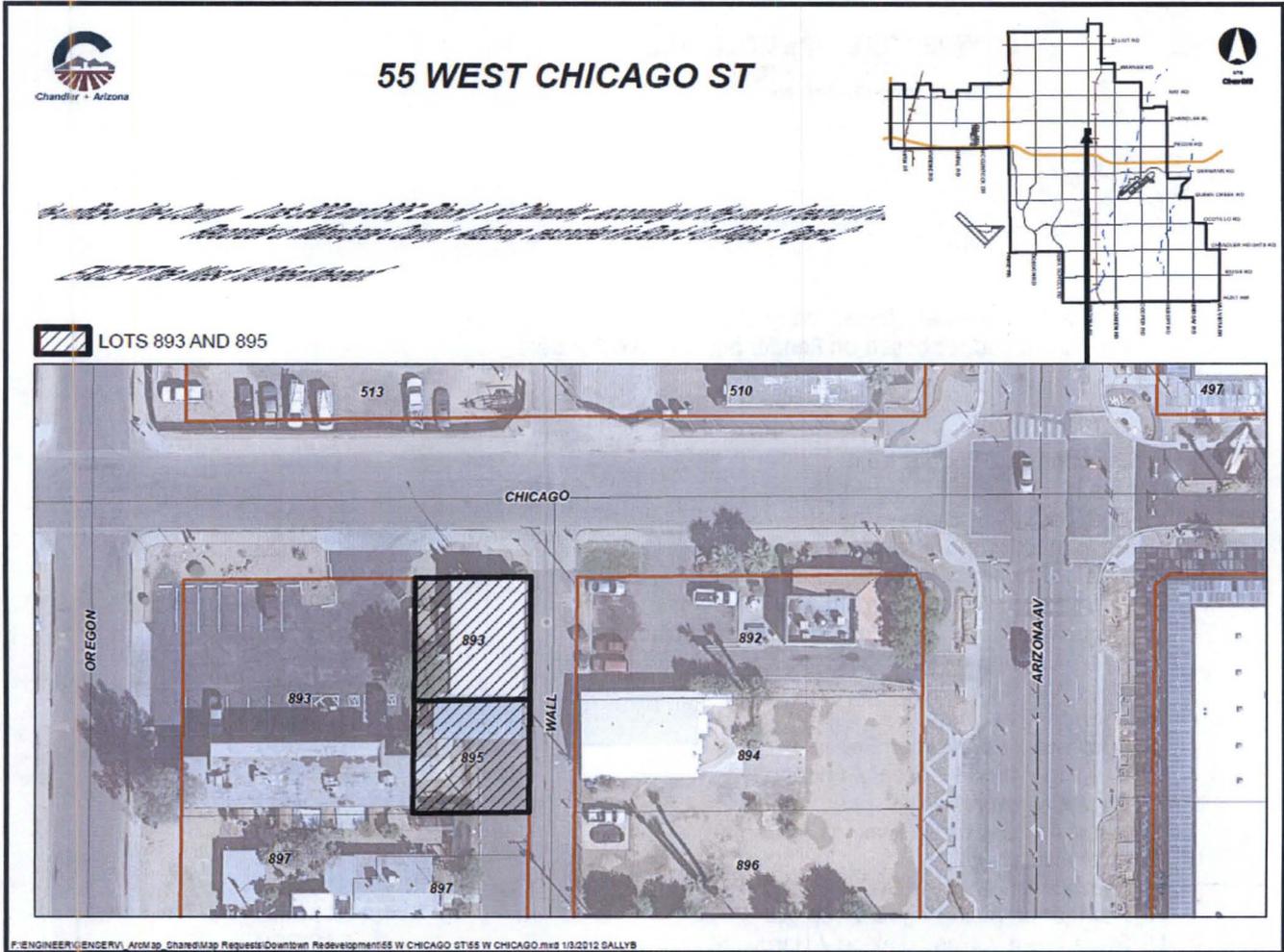
30-Dec-11

Description / Budget Item

1 Architectural / Engineering	\$15,000
2 General Exterior Demolition	\$7,000
3 Tin Roof Removal / Replace / Add Layer	\$30,000
4 Truss Repair & Improvement Main Structure	\$20,000
5 Truss Removal & Replace South Side of Structure	\$15,000
6 HVAC Curbing on Roof / Screening	\$10,000
7 Brick Wall Repair Improvement	\$20,000
8 Termite Treatment	\$350
9 Concrete / Foundation Repair & Level	\$27,500
10 Framing / Wood / Steel / Shoring	\$56,000
11 Metal Structural	\$26,000
12 Metal Architectural (awnings / canopy)	\$15,000
13 Roof Insulation	\$2,500
14 South Side Paneling System	\$15,000
15 Foundation piping repair / replace	\$18,000
16 Store Front / Glass Glazing / Hardware	\$40,000
17 Stucco (includes Lath and Prep)	\$10,000
18 Painting	\$6,500
19 Site Fence, Clean-up, Trash, Equipment Rental	\$12,000
SUBTOTAL	\$345,850
G.C. Profit and Overhead	\$34,585
GRAND TOTAL	\$380,435


Alex Westwood, President

**EXHIBIT D
VICINITY MAP**



**EXHIBIT E
 RENDERINGS**

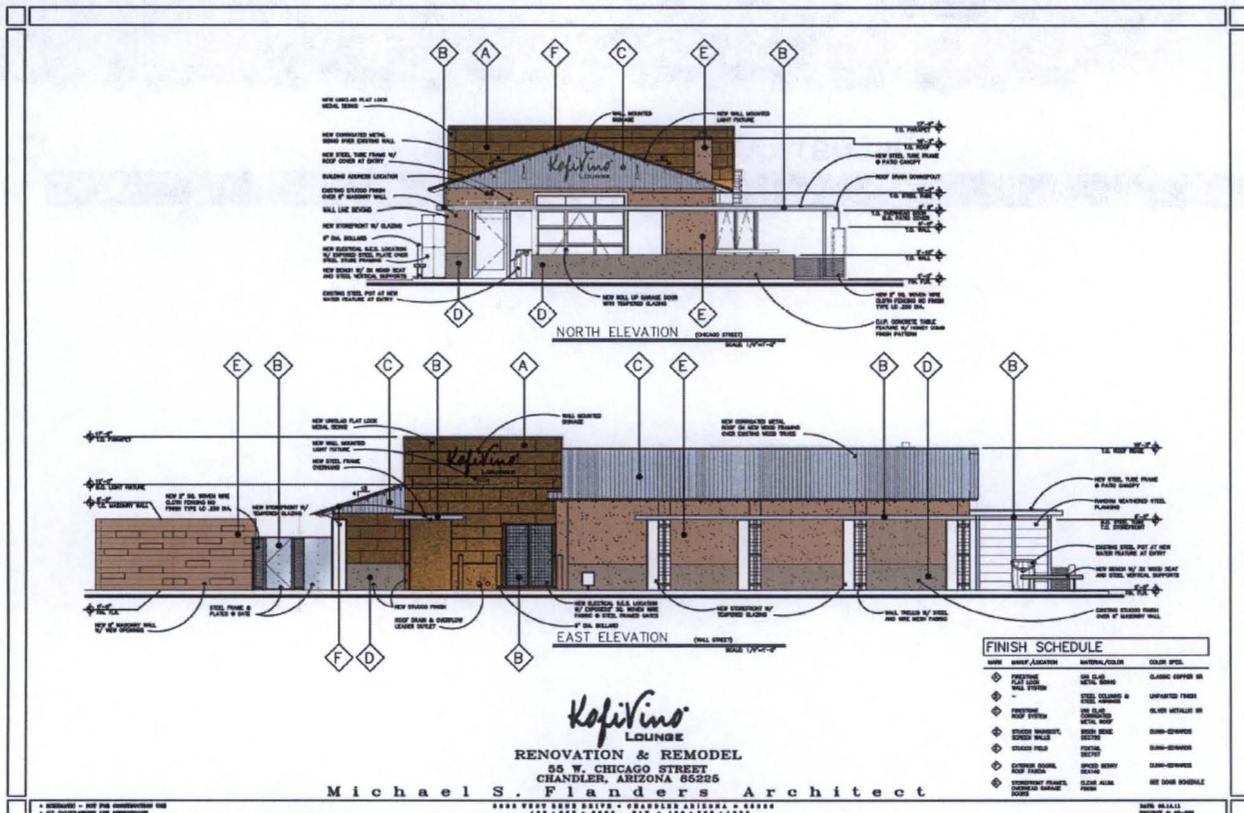
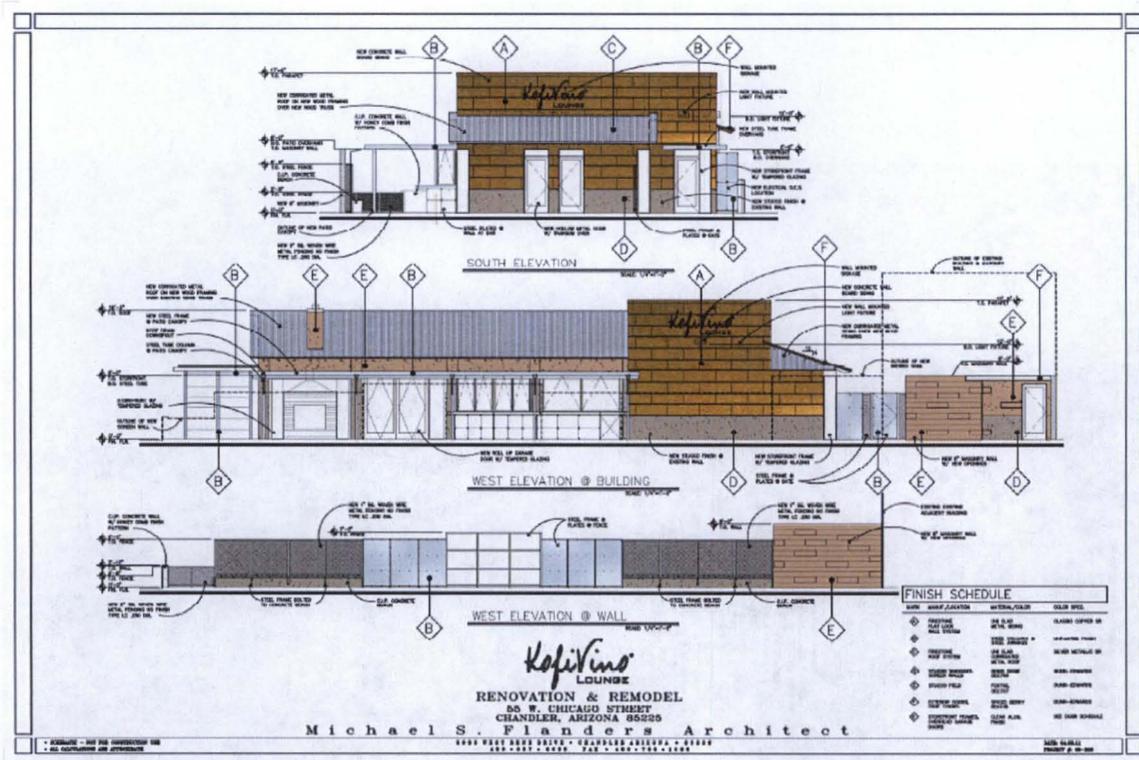


EXHIBIT F
SITE PLAN



ILLUSTRATIVE SITE PLAN
COVO

scale: 1/4" = 1'-0" 
02.01.11 north
 BRUCE & BROWN
ARCHITECTS
1000 N. LAKE ST. SUITE 1000
CHICAGO, IL 60610