CITY OF WASHINGTON

PLANNING & DEVELOPMENT DEPARTMENT

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MEMORANDUM

TO:

Mayor Manier and City Council

FROM:

Jon R. Oliphant, AICP, Planning & Development Director

SUBJECT:

TIF Pay Request #1 - Aberdeen Enterprises, LLC, 114 and 118 Peoria Street

DATE:

May 15, 2019

<u>Summary</u>: Staff seeks authorization to make the first of three annual TIF subsidy payments to Aberdeen Enterprises, LLC, in an amount of \$96,153.33 as reimbursement for exterior and interior building improvements at 114 and 118 Peoria Street.

<u>Background</u>: On August 6, 2018, the City entered into a TIF redevelopment agreement with Dr. Joel Lovell of Aberdeen Enterprises, LLC, for TIF assistance to undertake a substantial exterior and interior renovation at 114 and 118 Peoria Street. The project is now complete with the exception of a few punch list items.

The work remodeled the existing 1953 building to allow for Dr. Lovell to move his operations from his current location at the Washington Medical Center at Hillcrest and Business 24. He is now using 3,200 square feet for the dentist office (two-thirds of the building) with the other 1,600 square feet renovated for potential office and/or retail uses as a vanilla shell (no other tenants are currently in place). The project brought the building to current building code standards and to greatly improved it aesthetically.

The improvements included replacing the existing parallel parking next to the building with new 60-degree parking on the adjacent grass lot (114 Peoria); new landscaping along the Peoria Street façade; new wall and ground signs; new walls/framing; new seamless roofing/insulation/gutters/down spouts; new windows and doors throughout the building; new finishes including trim, drywall, paint, cabinetry, reception desk, countertops, bathrooms, flooring, and ceiling; two new gas furnaces and air conditioning units; new rough-in plumbing, gas water heater, and fixtures; upgraded electrical for the dental office and soffit/rear building lighting; and asbestos removal

Dr. Lovell recently submitted invoices for this project that total \$721,150, which is slightly less than the previously submitted estimates of \$721,230.38. The redevelopment agreement stated that there be a base 20% subsidy for this project with an additional 20% subsidy due to the scope of this project and the stability and employment of the business. The subsidies are to be paid in three annual installments. As a result of the slightly lower project total, **staff requests authorization to make the first payment in an amount of \$96,153.33**. The total payout would amount to \$288,460.

This item is scheduled for consideration on the consent agenda at the May 20 City Council meeting.