

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> June 24, 2013
	<b>Agenda Item No.</b> 33 <b>Roll Call No.</b> [ _____ ] <b>Communication No.</b> <u>13-341</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

Resolution approving Issuance of Certificate of Completion for the N.D. 22 Fleming, L.L.C. Historic Adaptive Reuse of the Fleming Building at 218 6th Avenue.

**SYNOPSIS:**

N.D. 22 Fleming, L.L.C. (Mike Nelson, Managing Member, 1045 76th Street, Suite 2000, West Des Moines, Iowa 50266) has submitted documentation required to demonstrate substantial completion of the adaptive reuse of the Fleming Building at 218 6th Avenue. The project renovated the building, constructed in 1909, from largely vacant office space into 96 market rate apartment units and commercial/retail space on the first and second floors. The building opening was June 1. All but six (6) of the units are already occupied.

The Urban Renewal Development Agreement with N.D. 22 Fleming, L.L.C. requires a Certification of Completion to be issued by the City Council before the economic development assistance grant payments can begin. City staff has inspected the project and has confirmed the terms of the agreement have been satisfied to allow approval of a Certificate of Completion. Date of the first payment will be July 24, 2013.

**FISCAL IMPACT:**

Amount: Not to exceed \$1,203,368 net present value (NPV) of economic development assistance grants approved by Council in the terms of the Urban Renewal Development Agreement.

Funding Source: Five (5) grant installments of \$160,000 per year funded from the Metro Center Tax Increment Finance District to be paid in years 1-5 following completion of the project; and five (5) grant installments not to exceed \$235,000 per year to be paid in years 11-15, to be funded by project generated tax increment and supported through a Minimum Assessment Agreement for \$8 million.

**ADDITIONAL INFORMATION:**

The Fleming Building project will provide new life and taxable valuation to the largely vacant 92,000 square foot building through the adaptive reuse. The additional housing units will add population to the downtown area and contribute to continued revitalization efforts in the City of Des Moines, particularly along Walnut Street.

**PREVIOUS COUNCIL ACTION(S):**

Date: September 26, 2011

Roll Call Number: [11-1640](#)

Action: [Urban](#) Renewal Development Agreement and Conceptual Development Plan with N.D. 22 Fleming, LLC for the historic adaptive reuse of the Fleming Building, 604 Walnut Street. ([Council Communication No. 11-621](#)) Moved by Hensley to adopt. Motion carried 7-0.

Date: September 12, 2011

Roll Call Number: [11-1581](#)

Action: [Second](#) revised preliminary terms of Urban Renewal Development Agreement with ND 22 Fleming LLC for the historic adaptive reuse of the Fleming Building at 604 Walnut Street. ([Council Communication No. 11-597](#)) Moved by Mahaffey to receive, file and approve the 2nd revised preliminary terms of agreement as set forth in Council Communication No. 11-597, and to direct the City Manager to proceed with negotiation of formal agreements with ND 22 Fleming LLC consistent with the terms set forth in Council Communication No. 11-597. Motion Carried 7-0.

Date: July 11, 2011

Roll Call Number: [11-207](#)

Action: [Preliminary](#) Terms of Urban Renewal Development Agreement with ND Fleming, LLC for residential redevelopment of Fleming Building, 604 Walnut Street. ([Council Communication No. 11-456](#)) Moved by Meyer to receive, file and approve preliminary terms of agreement set forth in Council Communication No. 11-456 and to direct the City Manager to proceed with negotiations of formal agreements with ND 22 Fleming, LLC consistent with the terms set forth in Council Communication No. 11-456. Motion Carried 7-0.

#### **BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: September 20, 2011

Resolution Number: N/A

Action: Vice Chair Rypma clarified the action requested of the board. Motion by Todd and seconded by Garner to approve a letter of support for the revised financial assistance as proposed.

Board: Urban Design Review Board

Date: June 7, 2011

Resolution Number: N/A

Action: Motion by Garner that a third window option that replicates the original windows be presented to the National Park Service and that the board be provided a review of any changes recommended by

the National Park service to the elevations in regard to fresh air intake. Seconded by Clark. Motion carried.

Board: Urban Design Review Board

Date: May 17, 2011

Resolution Number: N/A

Action: Clark motioned to approve the project's financial assistance request as requested and asked that the project come back at a later time with more design detail focusing on window treatment and landscaping. Seconded by Allen. Request and motion approved.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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