

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	November 23, 2015
	Agenda Item No.	26
	Roll Call No.	<u>15-1969</u>
	Communication No.	<u>15-613</u>
	Submitted by:	Phillip Delafield, Community Development Director

AGENDA HEADING:

Resolution Approving First Amendment to Community Development Block Grant Disaster Recover Agreement (CDBG-DR) for development of 60 units of housing at the Wilkins Building, 713 Walnut with Wilkins Redevelopment, LLC (Justin Doyle).

SYNOPSIS:

The amendment allows the CDBG-DR funds to be used for soft costs such as acquisition, engineering and architectural fees. This will help the project by providing reimbursement money at the front end of the project rather than throughout out the construction process.

FISCAL IMPACT:

Amount: \$3,000,000

Funding Source: Iowa Economic Development Authority (IEDA) - this funding has not yet been provided to the City of Des Moines.

ADDITIONAL INFORMATION:

By Roll Call 15-1156, on July 13, 2015, the City Council approved a \$3,000,000 CDBG-DR with Wilkins Redevelopment, LLC for renovation of 713 Walnut for 60 units of housing. Wilkins Redevelopment, LLC is the successor entity for Blackbird Investments, LLC represented by Justin Doyle 130 E. 3rd Street, Suite 400, Des Moines, IA, 50309 for the historic redevelopment of the Wilkins Building at 713 Walnut Street (formerly Younkers).

The Wilkins Building physical renovation proposed by Blackbird Investments, LLC has not changed as any change would endanger the historic tax credits allocated to the project. Of the 60 housing units, 29 will be market-rate and 31 will be affordable to households at 80% of median income. The rent for the affordable units will be restricted to the 65% HOME Investment Partnerships Funding (HOME) limit as determined by the U.S. Housing and Urban Development (HUD) annually. Of the total units, 32 will be 1-bedroom and 28 will be 2-bedroom. There will be no differences in quality or size between the affordable and market units.

The CDBG-DR funding for the Wilkins Building is administered through Contract 08-DRH-209 between the City of Des Moines and the IEDA. The IEDA has approved the amendment to soft costs.

The City is released from its obligation to monitor the Davis-Bacon wage requirements by paying for soft costs rather than construction costs.

The contract amendment signed by the developer is on file in the City Clerk's office.

PREVIOUS COUNCIL ACTION(S):

Date: July 13, 2015

Roll Call Number: [15-1156](#)

Action: Items regarding the Wilkins Building Redevelopment:

- (B) [\\$3,000,000](#) Community Development Block Grant – Disaster Recovery Loan and Contract Documents for development of 60 units of housing at 713 Walnut Street with Wilkins Redevelopment, LLC. ([Council Communication No. 15-371](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: May 18, 2015

Roll Call Number: [15-0827](#)

Action: [Letter](#) of Support for updated application to IEDA by Blackbird Investments, LLC for rehabilitation of 713 Walnut Street (Wilkins Building). ([Council Communication No. 15-268](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: March 23, 2015

Roll Call Number: [15-0503](#)

Action: [Amendment](#) to CDBG-DR Contract for additional stormwater funding for the Edge at Gray's Landing Project and to update the Wilkins Building (713 Walnut) project requirements. ([Council Communication No. 15-131](#)) Moved by Gray to adopt. Motion Carried 6-1.

Date: December 8, 2014

Roll Call Number: [14-1903](#)

Action: [Urban](#) Renewal Development Agreement with Wilkins Building, LLC for an \$18.7 million historic restoration of 713 Walnut and approving Conceptual Development Plan. ([Council Communication No. 14-583](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: November 17, 2014

Roll Call Number: [14-1776](#)

Action: [Preliminary](#) terms of agreement with Wilkins Building LLC for City assistance for the renovation of the Wilkins Building (formerly the west half of the Younkers Building). ([Council Communication No. 14-545](#)) Moved by Gatto to receive, file and approve preliminary terms of

agreement as set forth in Council Communication No. 14-545 and to direct the City Manager to proceed with negotiation of formal agreement consistent with such terms. Motion Carried 7-0.

Date: June 24, 2013

Roll Call Number: [13-1037](#)

Action: [Approving](#) First Amendment to the Urban Renewal Development Agreement with Alexander Company for the \$36,000,000 Historic Renovation of the former Younkers Building. ([Council Communication No. 13-309](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: December 3, 2012

Roll Call Number: [12-1883](#), [12-1884](#), and [12-1885](#)

Action: Items regarding historic renovation of former Younkers building at 713 Walnut Street: ([Council Communication No. 12-600](#))

- (A) [Approving](#) \$3,000,000 in CDBG-DR funds and \$250,000 HOME loan with 713 Walnut, LLC for the development of 120 housing units as part of the Younkers Building Project.
- (B) [Approving](#) Urban Renewal Development Agreement with the Alexander Company, Inc. and Conceptual Development Plan.
- (C) [Approving](#) application for Enterprise Zone Benefits to be referred to the Des Moines Enterprise Zone Commission and the IEDA for Younkers Building, LLC (Joe Alexander, President, Alexander Company) \$35 million dollar project constructing of 120 housing units at 713 Walnut Street in the Gateway Enterprise Zone.

Date: June 11, 2012

Roll Call Number: [12-0893](#)

Action: [Regarding](#) amended preliminary terms of agreement with The Alexander Company, for redevelopment of the former downtown Younkers Department Store, 813 Walnut Street. ([Council Communication No. 12-260](#)) Moved by Hensley to receive, file and approve amended preliminary terms of agreement as set forth in the accompanying Council Communication and to direct the City Manager to proceed with negotiations of formal agreements with The Alexander Company consistent with such terms. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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