

COUNCIL COMMUNICATION

	Number:	20-557	Meeting:	December 21, 2020
	Agenda Item:	34	Roll Call:	20-2119
	Submitted by:	Erin Olson-Douglas, Development Services Department Director		

AGENDA HEADING:

Amendment to the Development Agreement with 101 East Grand Parking, LLC (Phase 3).

SYNOPSIS:

Recommend approval of an amendment to an urban renewal development agreement for the final phase of a mixed-use project at 148 East Locust Street with 101 East Grand Parking, LLC (Paul Hayes and Tim Rypma, officers and Jim Cownie, principal investor) Des Moines, Iowa, 50309). This Amendment to the development agreement allows for waiver of fees associated with a 1-year extension to the final phase of development.

FISCAL IMPACT:

Amount: \$43,176.84 fee being waived

ADDITIONAL INFORMATION:

- On April 11, 2016, City Council approved an urban renewal development agreement for the phased redevelopment of the former City Hall parking lot. The first phase was a public parking structure at the center of the block completed in 2017. The second phase of the redevelopment on the north side of the new East 2nd Street Parking Garage was a 4-story, 64,000-square-foot, mixed-use office building with retail space on the ground floor completed in 2019 and is completely leased.
- The existing development agreement requires the development team to begin construction on the third phase on the south side of the block along East Locust Street within 18 months of the completion of the second phase. The 2nd phase office building at 111 E. Grand was issued its certificate of completion on June 24, 2018; December 24, 2020 is the deadline for commencing phase 3 on E. Locust Street.
- The development agreement provides for eight 3-month extensions, with a formula for a fee for each extension based on the lack of parking demand provided. As calculated by the formula, a 1-year waiver of fees has a value of \$43,176.84.

- Citing delays related to the current pandemic conditions and the need for more time to pursue opportunities for site-specific real estate investments that would reduce developer risk, the developer is choosing to exercise four (4) of the eight (8) 3-month extensions and requested waiver of the associated fees.

PREVIOUS COUNCIL ACTION(S):

Date: April 23, 2018

Roll Call Number: [18-0702](#)

Action: [First](#) Amendment to Urban Renewal Agreement for Sale of Land for Private Redevelopment with 101 East Grand Parking, LLC, for the multi-phased redevelopment of the block east of City Hall, and approving a conceptual development plan for the proposed new building at 111 E. Grand Avenue. ([Council Communication No. 18-193](#)) Moved by Gatto to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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