


## COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>23-065</b>	Meeting:	<b>February 6, 2023</b>
	Agenda Item:	<b>29</b>	Roll Call:	<b>23-167</b>
	Submitted by:	<b>Matthew A. Anderson, Deputy City Manager</b>		

### AGENDA HEADING:

Approving First Amendment and Assignment of Urban Renewal Development Agreement with ND22 Fleming, LLC.

### SYNOPSIS:

On September 26, 2011, the City Council approved final terms of an Urban Renewal Development Agreement with ND22 Fleming, LLC (Mike Nelson, President, Nelson Development, 405 6th Avenue, Suite 201, Des Moines, IA 50309) for the historic adaptive reuse of the Fleming Building at 604 Walnut Street into 96 market rate apartments and ground floor commercial uses. The building is being sold and the associated development agreement is being assigned and assumed by the future ownership entity, KMC Properties, LLC (Alex Kouri, Managing Member, 215 S 4th Street, Council Bluffs, IA 51503).

The Development Agreement included a 15-year economic development incentive broken down into three (3) grant phases. Phase one (1) of the grant has been fully paid. Phase two (2) of the grant was eliminated per the terms of the agreement due to the project qualifying for 10-year tax abatement. Phase three (3) of the grant is to be paid in years 11-15 to coincide with the completion of the tax abatement. The development agreement incorrectly identified the first installment of the third phase of the grant to commence on May 15, 2024, at the conclusion of the tax abatement. This first amendment corrects the first installment date to May 15, 2025, to align with the conclusion of the tax abatement schedule.

**FISCAL IMPACT: NONE**

### ADDITIONAL INFORMATION:

- Closing on the sale of the property is anticipated to occur on or before February 10, 2023.

### PREVIOUS COUNCIL ACTION(S):

Date: June 24, 2013

Roll Call Number: [13-1000](#)

Action: [Issuance](#) of a Certificate of Completion for the N.D. 22 Fleming, LLC Historic Adaptive Reuse of the Fleming Building at 218 6th Avenue. ([Council Communication No. 13-341](#)) Moved by Hensley to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).