

Date May 20, 2013

RESOLUTION ACCEPTING DEVELOPER-INITIATED DEVELOPMENT
PROPOSAL FROM 425 EAST GRAND, LLC TO DEVELOP
DISPOSITION PARCEL NO. 02-02A (425 E. GRAND AVENUE) IN METRO CENTER
URBAN RENEWAL PROJECT, APPROVING MINIMUM REQUIREMENTS AND
COMPETITIVE PROCESS FOR DEVELOPMENT AND NOTICE OF INTENT TO
ACCEPT PROPOSAL FOR SALE AND DEVELOPMENT

WHEREAS, on March 30, 2000 by Roll Call Nos. 00-788 and 00-789, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Metro Center Urban Renewal Project (hereinafter referred to as "Plan"); and

WHEREAS, 425 East Grand, LLC, an Iowa limited liability company, ("Developer") has presented to the City a developer-initiated proposal ("Proposal") to purchase and redevelop Disposition Parcel 02-02A, 425 E. Grand Avenue, located south of East Grand Avenue and west of East Fifth Street ("Property"), which Proposal is on file in the Office of the City Clerk; and

WHEREAS, the Proposal and the proposed Urban Renewal Agreement for Sale of Land for Private Redevelopment ("Development Agreement") incorporated therein, tendered herewith and executed by the Developer, proposes relocation of a two-story row house building on a new basement foundation and construction of a two-story building addition devoted for commercial retail, office or restaurant uses; and

WHEREAS, the proposed development of the Property furthers the objectives of the Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents and maintain taxable values within the Urban Renewal Project area, to support the maintenance and rehabilitation of sound existing structures and the preservation of properties of architectural and historic merit, to encourage intensive and coordinated the mixed-use development of commercial and residential improvements, to provide for the orderly expansion of downtown Des Moines as a retail, financial and business center of the metropolitan area, and to encourage the coordinated development of parcels and structures to achieve efficient building design; and

WHEREAS, the proposed economic development incentives for the proposed development to be provided by the City to Developer pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa and Developer's obligations under the Development Agreement to relocate and construct the development will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the East Village area in accordance with the Plan; (ii) it will encourage further private investment and will attract and retain residents and businesses in the Urban Renewal Project area to reverse the pattern of disinvestment and declining resident population; and, (iii) it will further the City's efforts to create and retain job opportunities within the Urban Renewal Project area which might otherwise be lost; and,

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WHEREAS, the relocation and construction of the proposed development is a speculative venture and the public gains and benefits from the relocation and construction and resulting commercial space and development opportunities would not occur without the proposed economic incentives provided under the proposed Development Agreement and the public gains and benefits are warranted in comparison to the amount of economic incentives; and,

WHEREAS, City believes that the proposed development of the Property pursuant to the Proposal and proposed Development Agreement, and the approval of and fulfillment generally of the proposed Development Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the project has been undertaken; and

WHEREAS, said Proposal meets the Minimum Development Requirements of the City for such development and appears to be comprehensive in form and content as evaluated by City staff; and

WHEREAS, said Developer has submitted a good faith deposit in the amount of \$25,000 for the proposed development; and

WHEREAS, it is necessary and appropriate that the City Council take certain actions in accordance with Iowa Code Section 403.8 with respect to the Property in order to accept the Proposal for the development of the Property and give full and fair opportunity for other potential developers to submit a proposal for the development of the Property; and

WHEREAS, City staff has prepared Minimum Development Requirements on file in the Office of the City Clerk, for determining qualified development proposals for either relocation of a structure or construction of new building improvements on the Property and selecting a development proposal; and

WHEREAS, this Council believes the acceptance of the Developer's Proposal to develop the Property and the advertisement for competing development proposals is in the best interests of the City of Des Moines, Iowa.

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NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The Proposal, on file in the Office of the City Clerk, which includes the proposed Development Agreement executed by the Developer for development of the Property be and is hereby accepted and approved as to form for the purposes hereinafter stated.
2. For the purposes of defining the competitive bid process for purchase and development of the Property, said Proposal of Developer shall be deemed to be and to illustrate the minimum proposal acceptable to the City of Des Moines for either relocation of a structure or construction of new improvements on the Property in terms of: general form of proposal and data required for competing proposals; Property description; purchase price, good faith deposit, time for commencement and completion of improvements; time permitted for conceptual development plan submission and review; development requirements for improvements (relocation); construction plans and certificate of completion; urban renewal covenants, City economic development grant, remedies and all miscellaneous provisions.
3. The Minimum Development Requirements on file in the Office of the City Clerk are determined to meet the objectives and requirements of the Plan, as amended, and are hereby approved and adopted for use in the competitive bid process.
4. Competing proposals to the Developer's Proposal shall:
 - A. Provide a detailed description of the proposed development that shall indicate satisfaction of the Minimum Development Requirements.
 - B. Devise a proposed method and sources of financing which must be adequate to assure financing of the development in a timely manner.
 - C. Provide a good faith deposit in the amount of \$25,000 in acceptable form to the City of Des Moines.
5. It is hereby determined that the Developer possesses the qualifications and financial resources necessary to purchase and develop the Property in the manner stated in its Proposal and the proposed Development Agreement in accordance with the Plan.

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6. It is hereby determined that the purchase price for the Property of \$180,000.00 to be paid by the Developer meets the fair market value thereof for uses in accordance with the Plan and shall be the established minimum sale price for the competitive bid process, taking into account the restrictions upon the Property and the terms, covenants, conditions and obligations assumed by the Developer for relocation of a building and construction of a building addition and related improvements on the Property in accordance with the terms of the proposed Development Agreement.
7. It is hereby determined that the \$225,000.00 economic development grant to be paid to Developer in installments in accordance with the terms and conditions of the proposed Development Agreement is warranted and it is appropriate that similar economic incentives as deemed appropriate by the City be made available for qualified competing proposals.
8. The City Clerk shall retain for public examination the Proposal and proposed Development Agreement executed by the Developer and in the event of no timely qualified competing proposals, the City Clerk shall submit the same to this Council for formal consideration, approval and execution at a public hearing at 5:00 p.m. during the regular City Council meeting of June 24, 2013.
9. The City Clerk shall be authorized to promptly publish the attached notice of the competitive bid process and the City's intent to accept the Developer's Proposal and to enter into the proposed Development Agreement if no competing proposals are received.
10. The action of this City Council shall be considered to be and does hereby constitute final notice to all concerned of the intention of this City Council to give acceptance and approval of the Developer's Proposal to purchase and develop the Property and enter into the proposed Development Agreement with the Developer on June 24, 2013, in the event no competing proposals are received.
11. This resolution, the Proposal and proposed Development Agreement shall be on file at the Office of the City Clerk, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa.
12. Approval and acceptance of the Developer's Proposal is conditioned upon there being no better proposal submitted by a competitor for the development of the Property within the period hereinafter stated.

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13. This competitive bid process, conducted in accordance with the terms of this resolution, is hereby determined to comply with the provisions of Iowa Code Section Chapter 403.8(2), requiring "reasonable competitive bidding procedures" for the sale of the Property and this competitive bid process is hereby determined to be the appropriate method for making the Property available for development in accordance with the Plan.
14. The submittal of proposals and statements by the competing developers, including the form of Development Agreement executed by competing developers, shall be in substantial conformity with the provisions of this resolution.
15. All inquiries regarding the terms and conditions of this competitive bid process must be submitted in writing to the Office of Economic Development, Armory Building, 602 Robert D. Ray Drive, Des Moines, Iowa, 50309. All responses to inquiries shall be made in writing and will be kept on file at the Office of the City Clerk, City Hall, and the Office of Economic Development, Armory Building. No written inquiries shall be accepted after 5:00 p.m. on June 17, 2013.
16. Written competing proposals for the purchase and development of said Property must be received in the Office of Economic Development on or before 10:00 a.m., June 21, 2013. Said proposals shall be received in the Office of Economic Development located in the Armory Building, 602 Robert D. Ray Drive, Des Moines, Iowa. Each proposal will then be publicly viewed and considered by the Urban Design Review Board at a special meeting on June 21, 2013.
17. The Office of Economic Development staff is directed to receive competing proposals for the purchase and development of said Property and prepare a summary report on each competing proposal for the Urban Design Review Board. The Urban Design Review Board shall at its special meeting at 12:00 p.m. on June 21, 2013, review each proposal and the Board is authorized and directed to make an analysis of each proposal for compliance with the requirements hereinabove stated and for evaluating the quality of the proposal in view of the following criteria by which each proposal will finally be evaluated by this Council, to wit:
 - A. The degree to which the proposal meets the objectives and requirements of the Plan, as amended, as reflected by the adopted Minimum Development Requirements.
 - B. The ability of the competing developer to commence and complete the redevelopment activity in an expeditious and timely manner.

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C. Ambiguity or lack of information in the proposal shall be judged negatively.

The Urban Design Review Board shall then forward its recommendations to the City Council.

- 18. If one or more competing proposals are received, the City Council will take action to select a proposal and approve sale of the Property at a regular meeting following receipt of recommendations from the Urban Design Review Board.

(Council Letter No. 13- 270 Attached)

APPROVED AS TO FORM:

Moved by _____ to adopt.


 Lawrence R. McDowell
 Deputy City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				
MOTION CARRIED			APPROVED	

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

 Mayor

 City Clerk

Project Description

The relocation of 709 East Locust will result in the preservation of a 133 year old row house. The building will be relocated to 425 East Grand and be positioned to engage the street and pedestrian nature of the East Village. The building will have an addition built at the rear of the building to allow the historic structure to remain intact and new restrooms and kitchen will be constructed in the addition. The first floor will have a restaurant, and will be nearly 2000 square feet in size. The first floor will also have an outdoor patio on the west side of the building. The second floor will be office space and be approximately 1600 square feet.

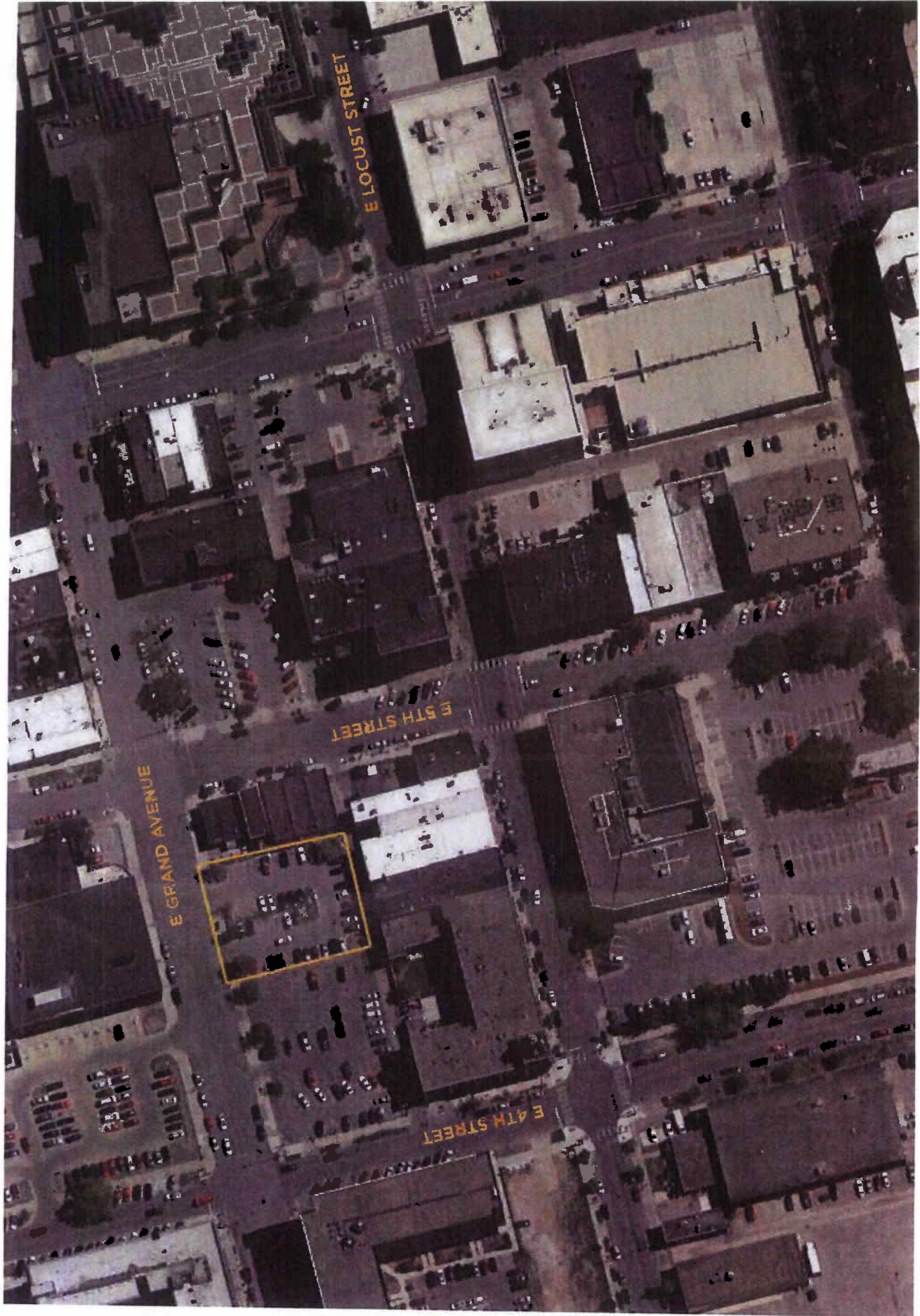
The building scale and architecture is similar to the building on East 5th, and the building and the site placement encourage the pedestrians to turn the corner and proceed west at the corner. This is the first step in making the block a complete block. The remaining site allows for a significant project to be built similar in scope to e300.

Wow and Transformative Design

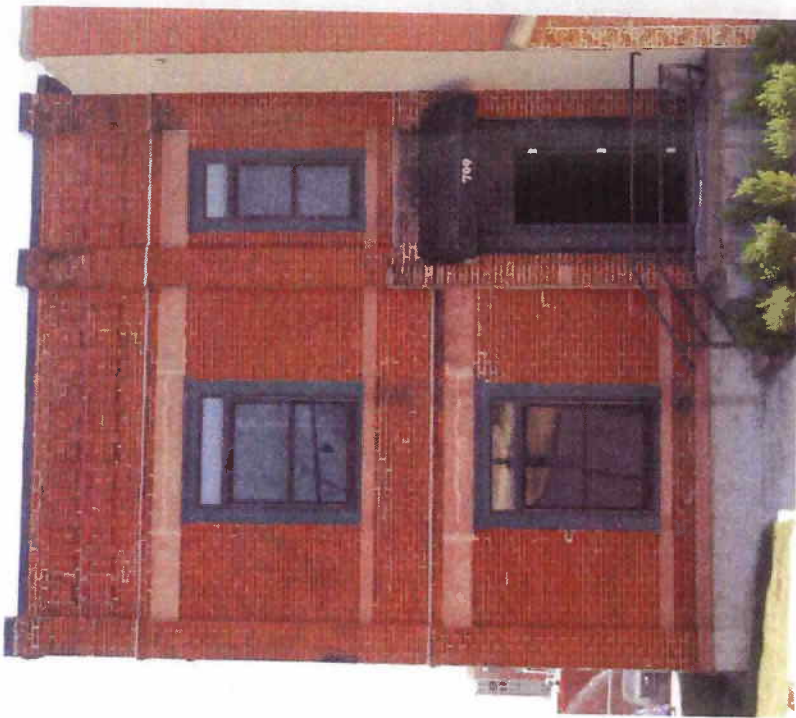
1. The site will have a rain garden to allow for storm water management.
2. The building weighs 430,000 pounds and we will pick it up and move it down the street.
3. We will preserve a 133 year old building.
4. The uses will add to the street energy on Grand Avenue

Team

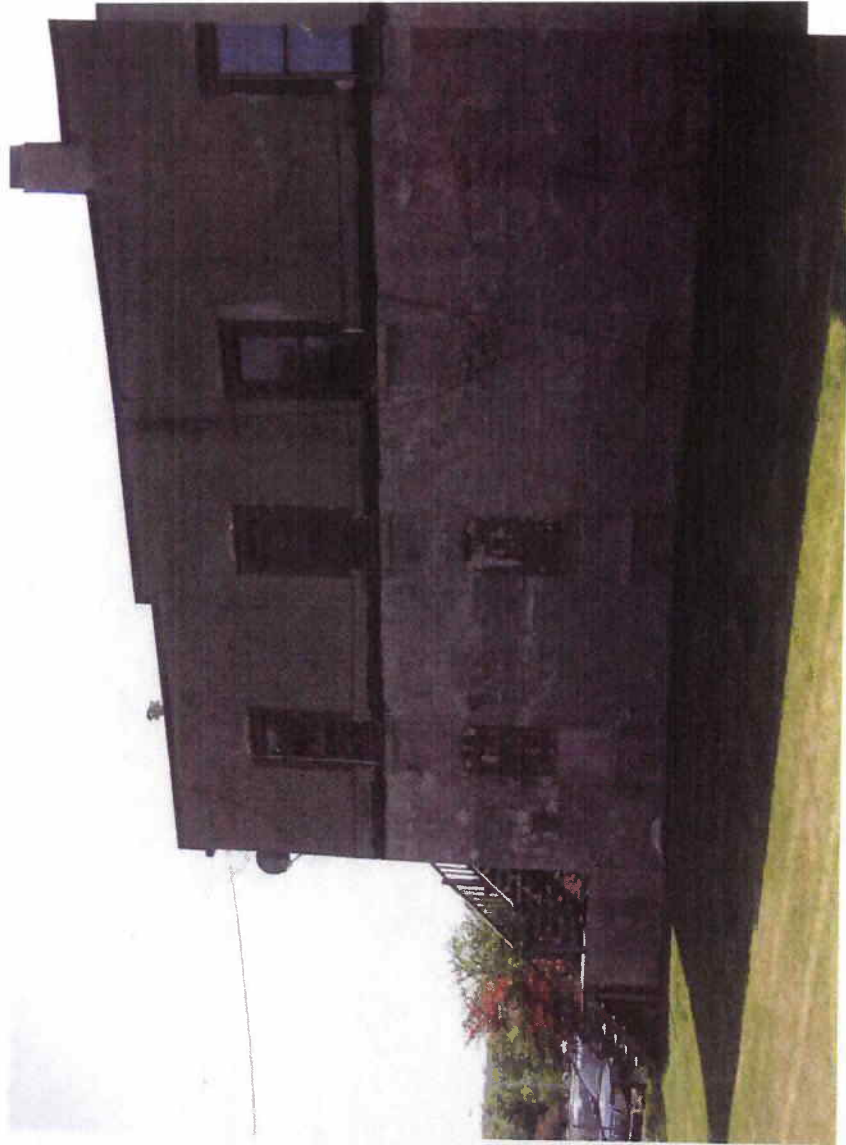
Developer- Christensen Development
Architect- Slingshot
Landscape-Reynolds Design
Structural-Raker/Rhodes
Contractor-Beal Derkenne
Mover-Goodwin Moving



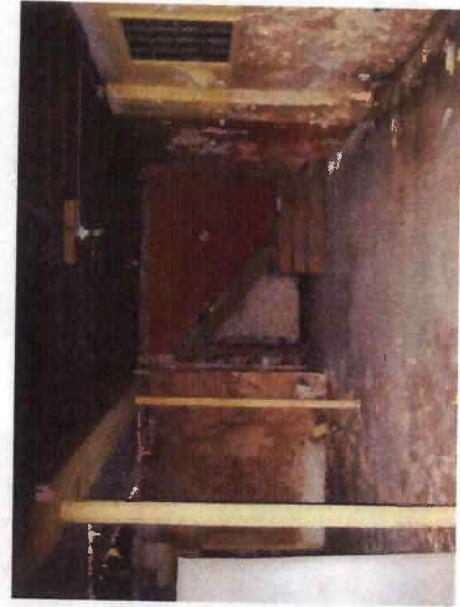
North Elevation



East Elevation

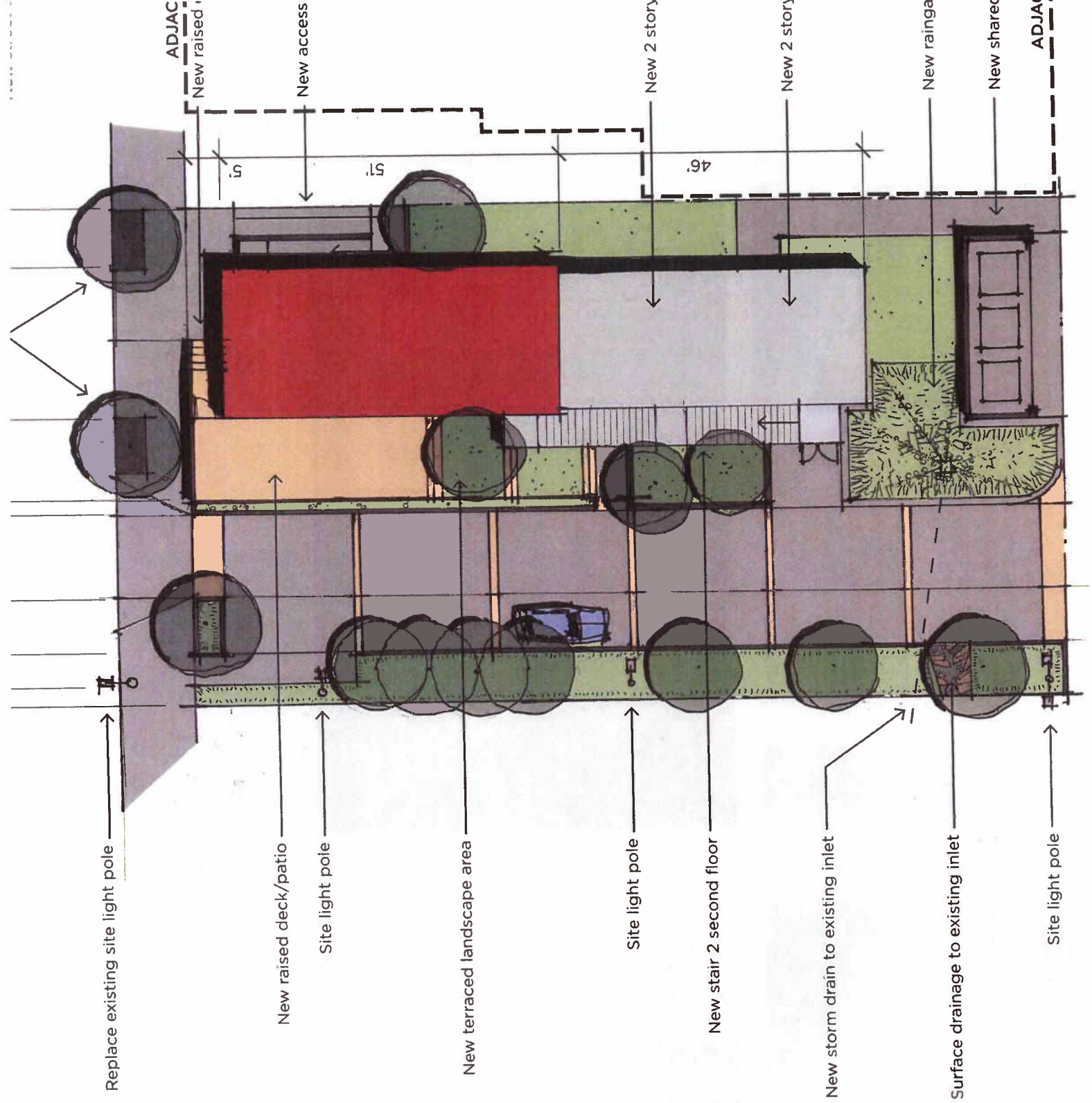


Level 1 Interior





next
t of



Replace existing site light pole

New raised deck/patio

Site light pole

New terraced landscape area

Site light pole

New stair 2 second floor

New storm drain to existing inlet

Surface drainage to existing inlet

Site light pole

ADJAC
New raised

New access

New 2 story

New 2 story

New rainga

New sharec

ADJAC

46'

51'

51'



Bar Agricole, San Francisco

Clad existing wall with new surface & possibly integrate lighting concept.

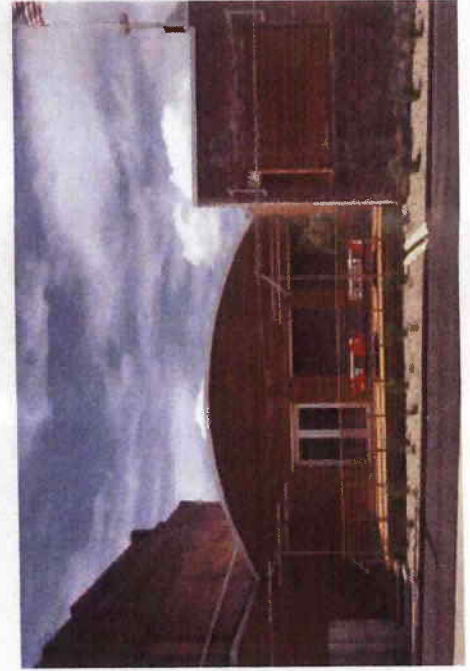
West wall of rowhouse was previously an interior surface, so a new exterior finish will be needed (not necessarily wood cladding).



Il Sagno Restaurant, San Antonio

Substantial patio space immediately adjacent to the pedestrian right of way and between buildings.

Rowhouse patio and railing detail will need to hold the street edge while creating a space beyond.

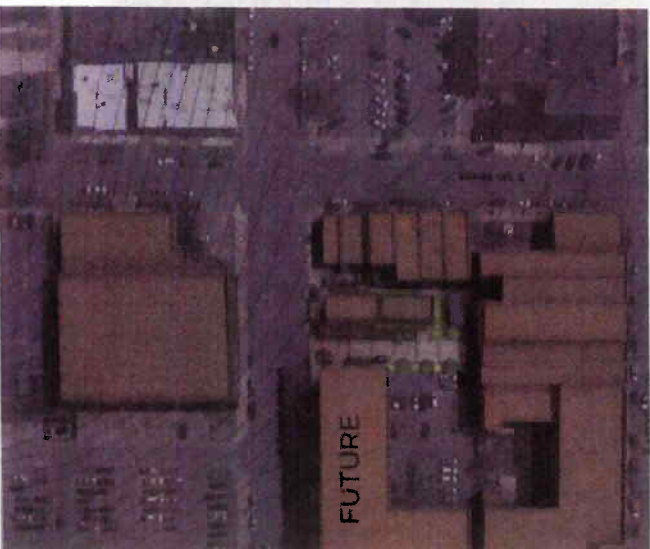
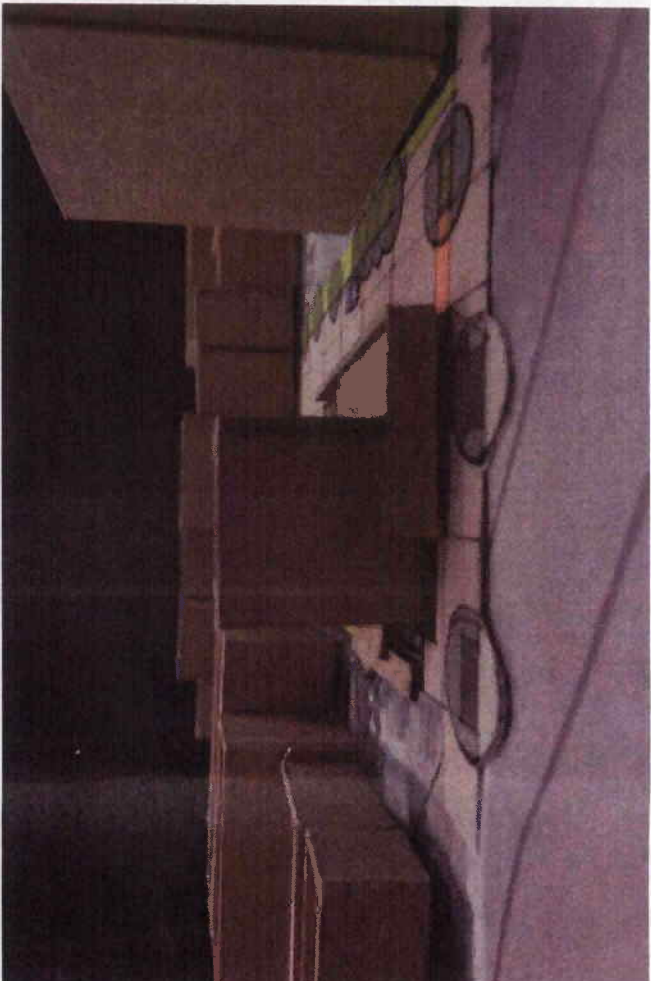
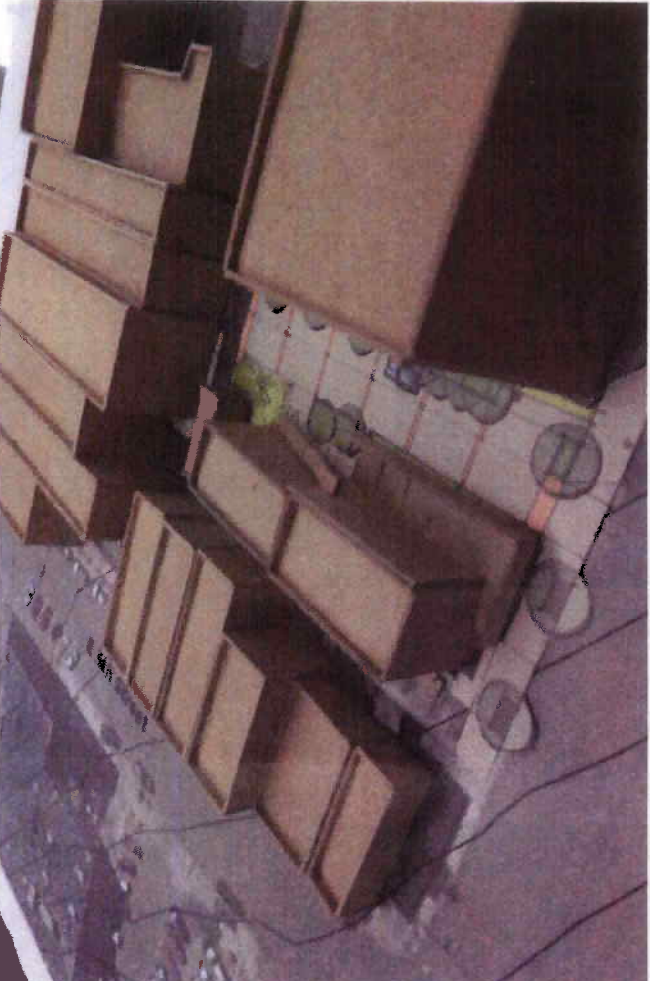


Drug Free Sport, Kansas City

Solid patio adjacent to right of way. More transparent, well detailed railing.

Rowhouse patio will be roughly 30" above grade at the north end of the site increasing as the grade falls away to the south.





ROW HOUSE RELOCATION

Conceptual Project Budget

BEAL | DERKENNE CONSTRUCTION



ID	Task Mode	Task Name	Duration	Start	3rd Quarter			4th Quarter			
					Jul	Aug	Sep	Oct	Nov	Dec	
1		CURRENT LOCATION	26 days	Mon 7/15/13							
2		Mobilize House Mover	3 days	Mon 7/15/13							
3		House Prep	20 days	Thu 7/18/13							
4		Float till weekend	2 days	Thu 8/15/13							
5		Move House	1 day	Sat 8/17/13							
6		NEW SITE	91 days	Mon 7/15/13							
7		Demo Site Pavement	2 days	Mon 7/15/13							
8		Grade Site	3 days	Wed 7/17/13							
9		Soil Stabilization	5 days	Mon 7/22/13							
10		New Foundations	7 days	Mon 7/29/13							
11		MEP Stubs (Site Utilities)	5 days	Wed 8/7/13							
12		House Install	0 days	Sat 8/17/13							
13		Foundations/Complete	5 days	Mon 8/19/13							
14		Demobilize Moving Co.	5 days	Mon 8/26/13							
15		Addition Foundations	5 days	Mon 9/2/13							
16		U/G MEP	3 days	Mon 9/9/13							
17		SOG	2 days	Thu 9/12/13							
18		Frame Addition	10 days	Mon 9/16/13							
19		Exterior Skin	13 days	Mon 9/30/13							
20		Rough In MEP's	10 days	Mon 9/30/13							
21		Gypcrete	2 days	Mon 10/14/13							
22		Restroom Build Out	10 days	Wed 10/16/13							
23		Install Roof Membrane	4 days	Thu 10/17/13							
24		Exterior Structures (stairs/patio)	10 days	Thu 10/17/13							
25		Final Site Grade	2 days	Thu 10/31/13							
26		Site Paving	5 days	Mon 11/4/13							
27		Landscaping	5 days	Mon 11/11/13							
28		Shell Building Completion	0 days	Fri 11/15/13							





LINCOLN SAVINGS BANK

LSB FINANCIAL

April 2013

Christensen Development
c/o Jacob Christensen
506 3RD Street Suite 300
Des Moines, IA 50309

Re: Row House Relocation Project

Mr. Christensen,

Please find this letter as our official interest in financing the relocation of the Row House to its new site on Grand Avenue. We'd be excited to be a part of this unique and historic project. We appreciate and value our current relationship with Christensen Development and look forward to partnering on this project and future projects still to come.

Please let me know when we can move forward with financing on the Row House Relocation. Until then I wish you the best of luck in finalizing your plans. It's going to be a great project.

Sincerely,

Scott S Jarvis
Vice President – Commercial Banking
Lincoln Savings Bank
515-221-9876 | scottj@mylsb.com

Row House

Building Square Footage	3,000	Projected	Projected
Site Square Footage	-	SF	Total
		Costs	Costs
Building			\$ 100
Land			\$ 180,000
Addition	800	\$ 300	\$ 240,000
demo/moving			\$ 160,000
Building Hard Costs			
Site improvements			\$ 90,000
Building shell, design/greas	3,800	\$ 30.00	\$ 114,000
Tenant Improvement	1,200	\$ 40.00	\$ 48,000
Deck/ Landscaping/Public	1,200	\$ 50.00	\$ 60,000
Contingency	3,000	\$ 20.00	\$ 60,000
and/Building Shell Costs		\$ 317.37	\$ 952,100
Development Costs			
Legal Fees			\$ 12,000
Title Work			\$ 1,500
Park Service Work			\$ 35,000
Civil Engineering			\$ 12,500
Architecture/Structural			\$ 40,000
Survey			\$ 2,500
Appraisal			\$ 4,000
Financing			
Interim Interest			\$ 47,605
Construction Financing points&Perm Loan			\$ 14,282
Closing Costs			\$ 5,000
Soft Cost Contingency			\$ 4,500
			\$ 178,887
Subtotal Project Costs			\$ 1,130,987
	<u>Net Rent</u>	<u>Term</u>	<u>SF</u>
Brokerage Fee (6% Com)	23	7	2,700 \$ 26,082
Development Fee			5.00% \$ 56,549
Total Project Costs			\$ 1,213,618
Total Cost Per Square Foot			\$319.37
RENTABLE SQUARE FEE	3,800		