

Agenda Item Number

Date December 8, 2014

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 713 WALNUT, LLC, FOR AN \$18.7 MILLION HISTORIC RESTORATION OF THE WILKINS BUILDING AT 713 WALNUT STREET; APPROVING CONCEPTUAL DEVELOPMENT PLAN FOR SUCH RESTORATION; AND, APPROVING TERMINATION OF PRIOR DEVELOPMENT AGREEMENT WITH THE ALEXANDER COMPANY, INC., FOR THE RESTORATION OF THE FORMER YOUNKERS BUILDING

WHEREAS, on December 3, 2012, by Roll Call No. 12-1884, the City Council approved an Urban Renewal Development Agreement (the "Original Agreement") with The Alexander Group, Inc., represented by Joe Alexander, President, for the renovation of the Younkers Building, which became impossible to complete when the eastern half of the building was destroyed by fire on March 29, 2014; and,

WHEREAS, The Alexander Group, Inc., has requested in the accompanying letter that the City agree to the termination of the Original Agreement; and,

WHEREAS, the remaining western half of the Younkers Building was originally a separate building known as the Wilkins Building, and a sufficient portion of the Wilkins Building remains to allow the renovation to qualify for state and federal historic tax credits; and,

WHEREAS, on November 17, 2014, by Roll Call No. 14-1776, City Council approved preliminary terms of agreement with Wilkins Building, LLC, a single-purpose development entity to be created by The Alexander Company, for the historic renovation of the Wilkins Building, and directed the City Manager and Economic Development Administrator to proceed with negotiation of a formal agreement upon terms consistent with the preliminary terms identified in Council Communication No. 15-545; and,

WHEREAS, the The Alexander Company did not create Wilkins Building, LLC, as expected, and has instead chosen to use 713 Walnut, LLC (hereinafter the "Developer"), as the development entity to own and renovate the Wilkins Building; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with the Developer whereby the Developer has agreed to renovate the Wilkins Building with approximately 10,000 square feet on the ground floor for commercial use, with approximately 10,000 square feet within and adjoining the former Younkers Tea Room space for banquet and other assembly use, and with 60 residential apartments, all in conformance with the proposed Conceptual Development Plan and hereinafter collectively referred to as the "Improvements", in consideration of an Economic Development Grant in an amount up to



-2-

Date December 8, 2014

\$1,539,590, to be paid in annual installments over 10 years, all as more specifically described in the accompanying Council Communication; and,

WHEREAS, the proposed Agreement and Conceptual Development Plan are on file and available for inspection in the office of the City Clerk; and

WHEREAS, at its meeting on November 18, 2014, the members of the Urban Design Review Board voted 8-0 in support of a motion to recommend approval of the level of financial assistance as originally proposed, and thereafter on December 2, 2014, the members of the Urban Design Review Board voted 9-0 in support of a motion to recommend approval of the final project design as reflected in the proposed Conceptual Development Plan, subject to the Conceptual Development Plan being amended in the future, as now required by the proposed Agreement, to incorporate the planned Walnut Street Streetscape Improvements in the adjoining Walnut Street right-of-way and the open area immediately east of the Wilkins Building.

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

- 1. The City Council hereby makes the following findings in support of terminating the Original Agreement with The Alexander Company, Inc., and approving the proposed Agreement with the Developer, 713 Walnut, LLC:
 - a) The destruction of the eastern half of the Younkers Building by fire on March 29, 2014, made it impossible achieve the purpose of the Original Agreement with The Alexander Company, Inc., and warrants termination of that agreement.
 - b) The Economic Development Grant for the redevelopment of the Wilkins Building by the construction of the Improvements are provided by the City to Developer pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa,
 - c) The Developer's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will renovate a blighted burned-out building to productive use and contribute to the local tax base; (ii) it will contribute to the improvement and redevelopment of the downtown area in accordance with the Metro Center Urban Renewal Plan and the Downtown Plan titled "What's Next, Downtown?"; (iii) it will advance the goal of providing a range of affordable housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area; (iv) it will encourage further private investment and will attract and retain other businesses in the downtown area to reverse the pattern of disinvestment and declining employment in the area; and, (v) it will lead to the creation and retention of job opportunities within the downtown area and in the Metro Center Urban Renewal Project Area which might otherwise be lost; and,



-3-

Date December 8, 2014

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- d) The redevelopment of the Wilkins Building pursuant to the Agreement, and the fulfillment generally of the 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 warrant the provision of the Economic Development Grant as set forth in the Agreement.
- e) The construction of the Improvements is a speculative venture and the construction and resulting benefits would not occur without the provision of the Economic Development Grant as set forth in the Agreement.
- 2. The request by The Alexander Company, Inc., for termination of the Original Agreement is hereby approved. The City Manager is hereby authorized and directed to sign a Termination Certificate pursuant to Section 7.7 of the Original Agreement certifying that Original Agreement has been terminated by mutual agreement and is of no further force or effect.
- 3. The Conceptual Development Plan for the renovation of the Wilkins Building, which is Exhibit "A" to the Agreement, is hereby approved.
- 4. The Urban Renewal Development Agreement between the City and 713 Walnut, LLC, is hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
- 5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant pursuant to Article 5 of the Agreement.
- 6. The City Manager or his designees are hereby authorized and directed to administer the Agreement on behalf of the City and to monitor compliance by the Developer with the terms and conditions of the Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.
- 7. The City Clerk is hereby further authorized and directed to cause the Agreement and the Termination Certificate to be promptly recorded with the Polk County Recorder.

(Council Communication No. 14- 583)

MOVED by _____

____ to adopt.



Agenda	Item Number
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-4-

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Date December 8, 2014

APPROVED AS TO FORM:

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Roger K. Brown, Assistant City Attorney G:\USERS\RKBrown\Rog Docs\Eco Dev\Younkers\RC Approve Agr 2014-12-08.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT	SENT 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.
COWNIE					
COLEMAN					
GATTO					
GRAY					
HENSLEY					
MAHAFFEY					
MOORE	U.				
TOTAL					
MOTION CARRIED			A	PPROVED	*
Mayor					City Clerk

145 East Badger Road, Suite 200 Madison, WI 53713 (608) 258-5580 Fax: (608) 258-5599 Web: www.alexandercompany.com



January 05, 2014

REQUEST TO TERMINATE DEVELOPMENT AGREEMENT FORMER YOUNKERS BUILDING, 713 WALNUT ST. DESMOINES, IA

Lots 3, 4, 5 and 6 and the intervening vacated North/South alley, in Block 1, Fort Des Moines,

WHEREAS, the CITY OF DES MOINES, IOWA, a municipal corporation (the "City"), acting pursuant to Chapter 403 of the Code of Iowa, (hereinafter called "Urban Renewal Law"), and THE ALEXANDER COMPANY, INC., a Wisconsin corporation (the "Developer ") the City and Developer entered into a URBAN RENEWAL DEVELOPMENT AGREEMENT (hereinafter the "Agreement") dated December 3, 2012, and recorded on June 6, 2013, in Book 14819 at Page 581, in the office of the Recorder of Polk County, Iowa; and,

WHEREAS, the City and Developer agreed to the FIRST AMENDMENT TO DEVELOPMENT AGREEMENT (hereinafter together with the Agreement, the "Amended Agreement"), made on or as of June 24, 2013,

WHEREAS, Sec. 7.7. of the Agreement stipulates that "Upon the termination of this Agreement as provided herein or upon satisfaction by the parties of all their obligations under this Agreement (including payment of the Economic Development Grant), and request by Developer, City shall issue to Developer a Termination Certificate certifying that Developer has satisfied all its obligations under the Agreement. Such Termination Certificate shall be in recordable form to permit it to be recorded in the records of the Polk County Recorder. Developer may utilize the Termination Certificate as evidence of its compliance with and satisfaction of all its obligations under this Agreement."

WHEREAS, the destruction of the eastern half of the Younkers Building by fire on March 29, 2014, made it impossible achieve the purpose of the Amended Agreement between the Developer and the City, and warrants termination of that Amended Agreement.

NOW THEREFORE, The Developer requests that the Amended Agreement be terminated and that the City issue a Termination Certificate in recordable form that stipulates that the mutual obligations of the City and Developer have been satisfied with the termination of the Amended Agreement.

Sincerely,

THE ALEXANDER COMPANY, INC Joseph M. Alexander It's President

Real Property Resources Nationwide

Exhibit "A" to Urban Renewal Development Agreement between the City of Des Moines, Iowa, and 713 Walnut, LLC

CONCEPTUAL DEVELOPMENT PLAN



1 SOUTH ELEVATION SCALE: 3/32" = 1'-0"

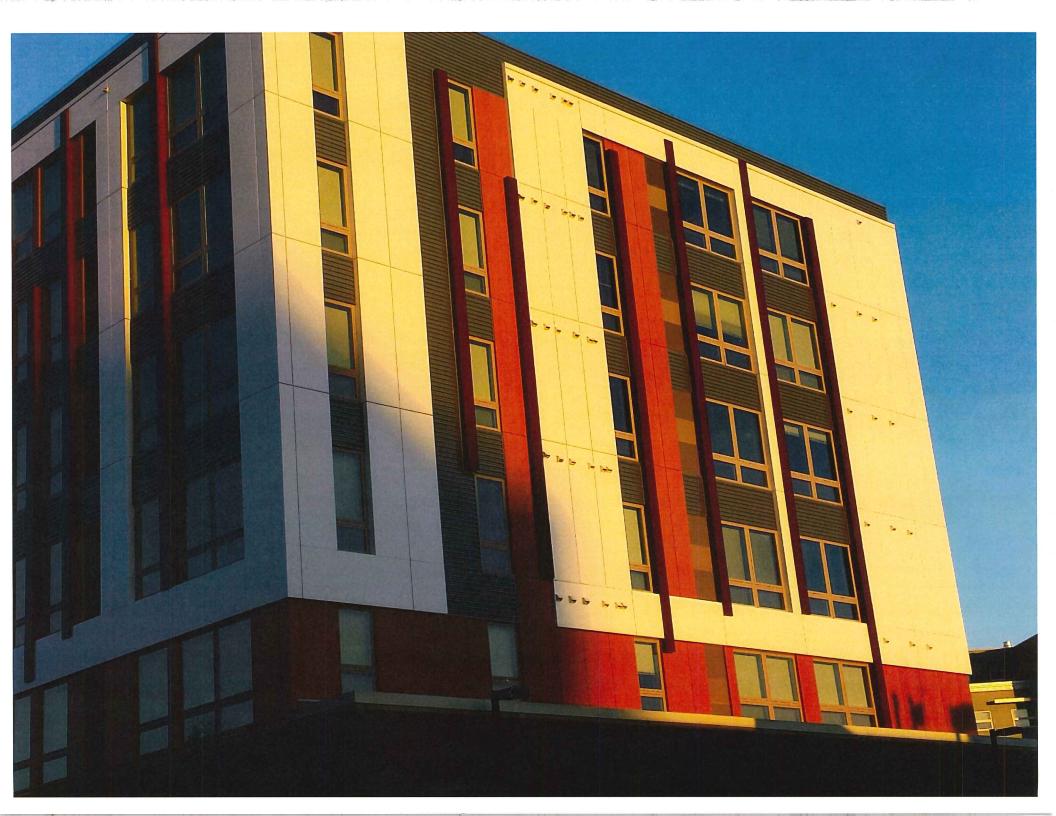


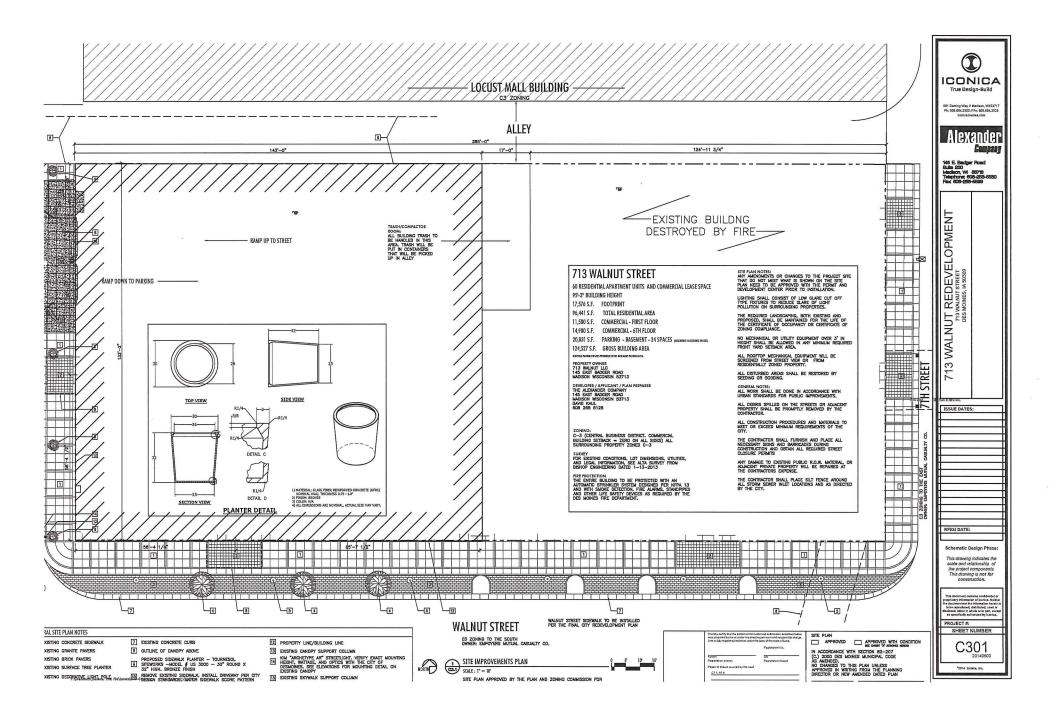


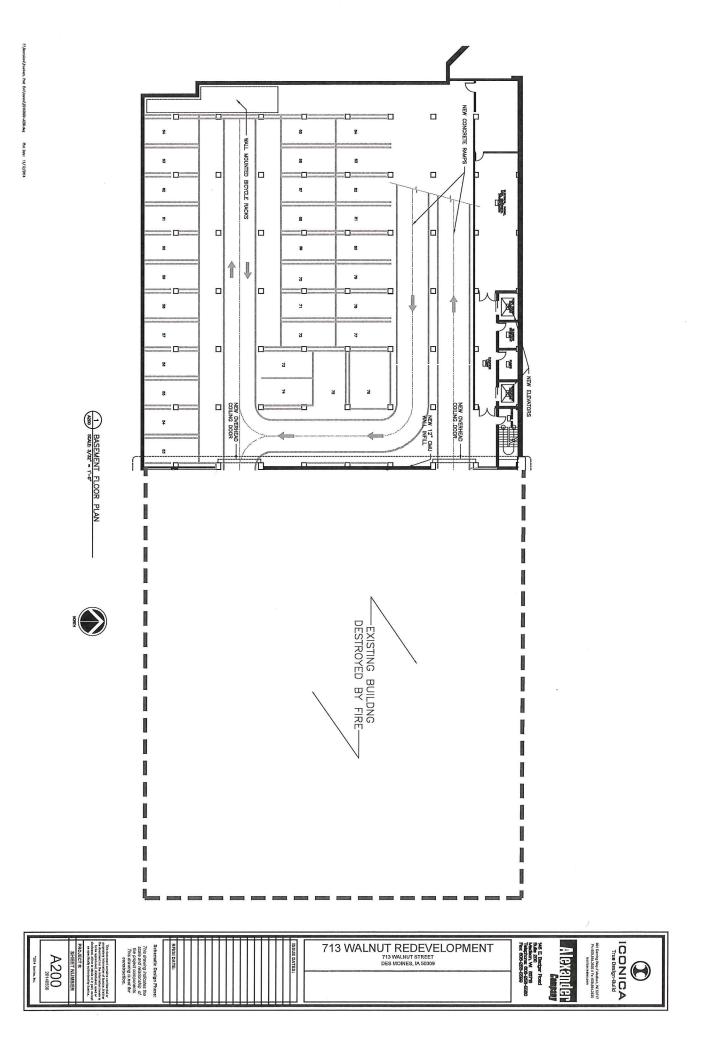


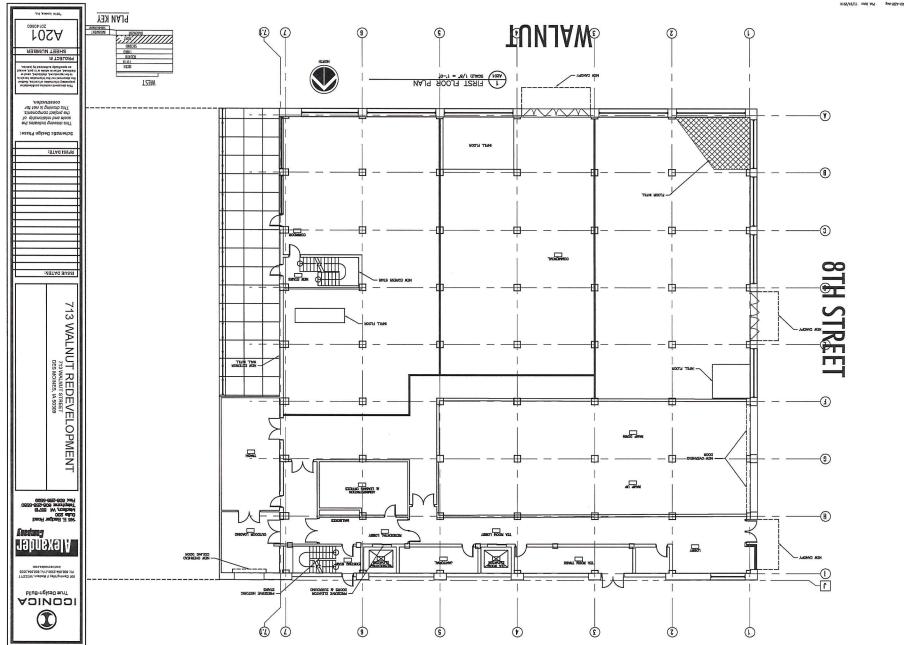




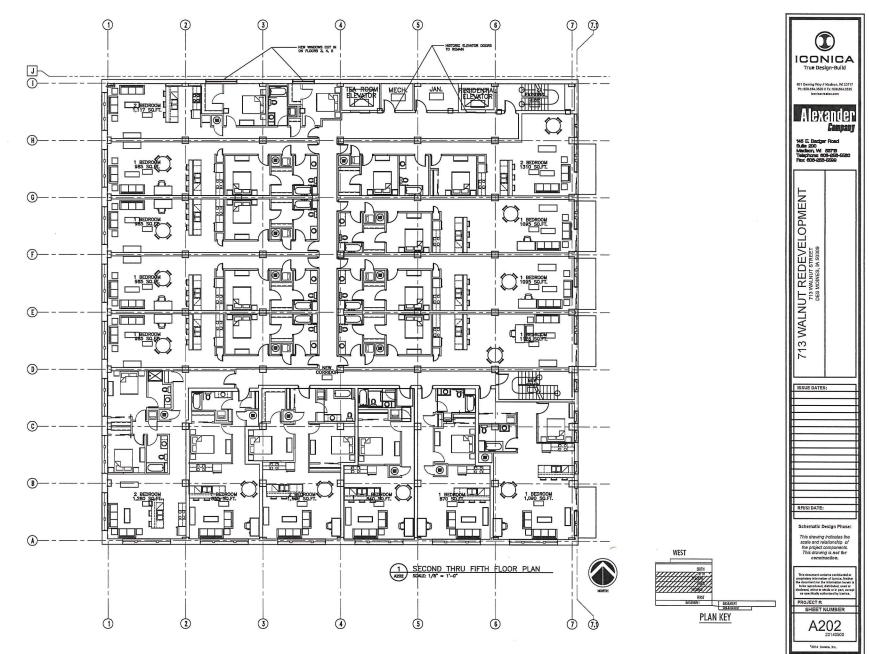






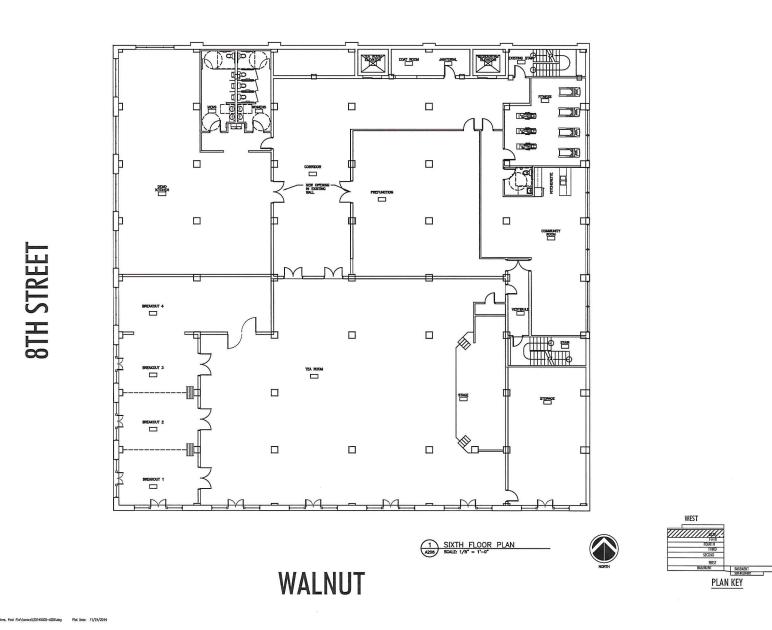


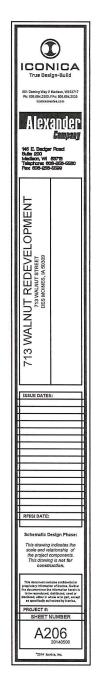
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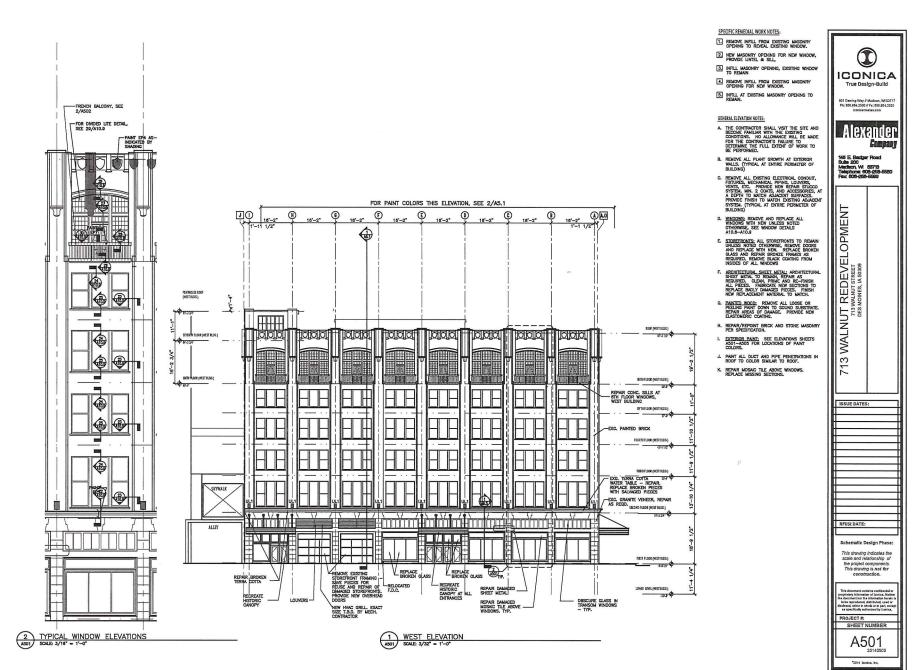
Piel Date: 8/22/2014

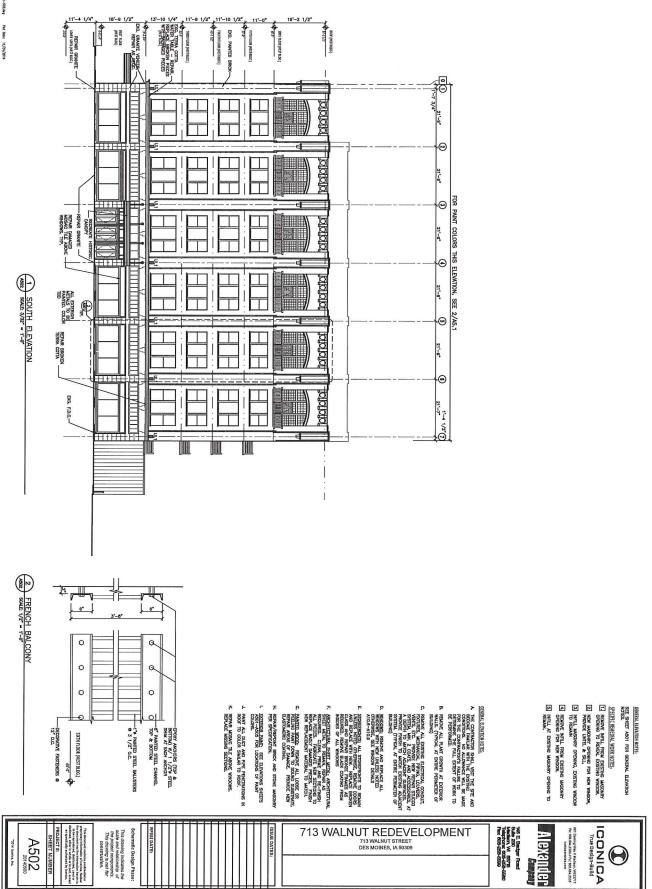


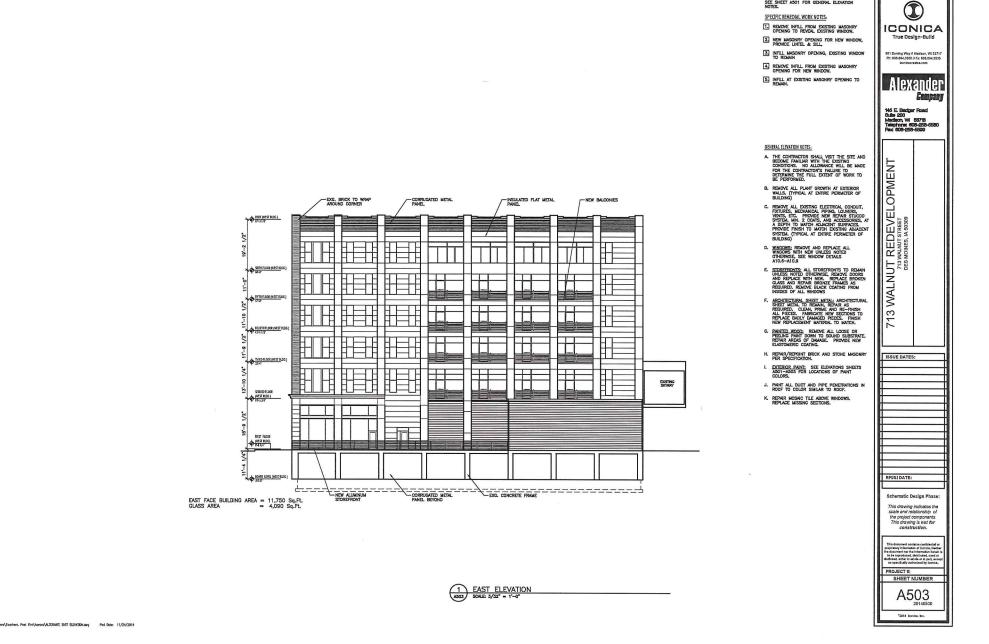




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GENERAL ELEVATION NOTES: SEE SHEET A501 FOR GENERAL ELEVATION NOTES.

SEE SHEET ASO1 FOR GENERAL ELEVATION NOTES. 1. REMOVE INFILL FROM EXISTING MASONRY OPENING TO REVEAL EXISTING WINDOW. ICONICA True Design-Build 2. NEW MASONRY OPENING FOR NEW WINDOW, PROVIDE LINTEL & SLL, 3. INFILL MASONRY OPENING, EXISTING WINDOW TO REMAN 001 Deming Way // Madison, Wi 53717 Ph: 808,614,3500 // Fx: 608,664,3535 iconicacreates.com REMOVE INFILL FROM EXISTING MASONRY OPENING FOR NEW WINDOW. 5 INFILL AT EXISTING MASONRY OPENING TO REMAIN. Alexander Company 145 E. Bacigar Road Sulla 200 Maclaon, WI 63713 Telephone: 606-258-5580 Ros: 606-258-5599 A THE CONTRACTOR SHALL VISIT THE STE AND BECOME FAMILIAR WITH THE EXISTING CONDITIONS. NO ALLOWANCE WILL BE MADE FOR THE CONTRACTOR'S FAILURE TO DETERMINE THE FULL EXTENT OF WORK TO BE PERFORMED. OPMENT B. REMOVE ALL PLANT GROWTH AT EXTERIOR WALLS. (TYPICAL AT ENTIRE PERIMETER OF BUILDING) BULLINGY C. REMOVE ALL EXISTING ELECTRICAL CONDUIT, PATURES, RECHARGAL PIPING, LOUVERS, DESTING ALL PRODUCTS, PARK DESCRIPTION FOR THE PRODUCTS AND RECORDING AND A DEPTH TO MATCH ADJACENT SUBJACEST PROVIDE FURSH TO MATCH EXISTING ADJACENT SYSTEM, (TYPICAL AT EXITING PERMETER OF BUILENOS REDEVEL D. WINDOWS: REMOVE AND REPLACE ALL WINDOWS WITH NEW UNLESS NOTED OTHERWISE, SEE WINDOW DETAILS A10.6-A10.9 E. STOREPERONIS: ALL STOREPRONTS TO REJAIN UNLESS NOTED OTHERWISE, REMOVE DOORS AND REPLACE WITH ING., REPLACE BROKEN GLASS AND REPLAR BROKZE FRAMES AS REQUIRED, REMOVE BLACK COATING FROM INSIDES OF ALL WINDOWS F. ARCHITECTURAL SHEET METAL: ARCHITECTURAL SHEET METAL TO REMAIN, REPAIR AS REQUIRED, CLEAN, PRIME AND RE-FINISH ALL PIECES, FARRICATE NEW SECTIONS TO REFLACE BADLY DAWAGED PIECES, FINISH NEW REPLACEMENT MATERIAL TO MATCH. 713 G. <u>PAINTED WOOD</u>, REMOVE ALL LOOSE OR PEDLING PAINT DOWN TO SOUND SUBSTRATE, REPAIR AREAS OF DAMAGE. PROMDE NEW ELASTOMERIC COATING. H. REPAIR/REPOINT BRICK AND STONE MASONRY PER SPECIFICATION. ISSUE DATES: EXTERIOR PAINT: SEE ELEVATIONS SHEETS ASO1-ASO5 FOR LOCATIONS OF PAINT COLORS. J. PANT ALL DUCT AND PIPE PENETRATIONS IN ROOF TO COLOR SIMILAR TO ROOF. K. REPAIR MOSAIC TILE ABOVE WINDOWS, REPLACE MISSING SECTIONS. RFISI DATE: Schematic Design Phase: This drawing indicates the scale and relationship of the project components. This drawing is not for construction. This document confurms confidential o propisatory information of loosics. Next the document nor the information herein to be reproduced, distituted, used o disclosed, ether in whole or in part, acc as specifically authorized by iconica. PROJECT #:

SHEET NUMBER A504 *2014 Jeonica, Inc.

GENERAL ELEVATION NOTES:

GENERAL ELEVATION NOTES:

SPECIFIC REMEDIAL WORK NOTES:

