

Date July 13, 2015

APPROVAL OF TERMINATION OF CDBG-DR AGREEMENT WITH THE ALEXANDER COMPANY, INCORPORATED FOR WILKINS BUILDING REDEVELOPMENT

WHEREAS, on April 20, 2009, by Roll Call No. 09-645, the City entered into Contract 08-DRH-209 with the Iowa Department of Economic Development (n/k/a Iowa Economic Development Authority (IEDA)) for use of Community Development Block Grant – Disaster Recovery (CDBG-DR) funds; and

WHEREAS, in June 2010, The Alexander Company, Incorporated (“Alexander Company”) applied to the City for the use of \$3,000,000 of CDBG-DR funds, for a multi-family rental housing development, for the property located at 713 Walnut Avenue and legally described as:

Lots Three (3), Four (4), Five (5), and Six (6), in Block One (1) in Fort Des Moines, now included in and forming a part of the City of Des Moines, Iowa.

And

The North/South alley lying Northerly of the Westerly extension of the South line of Lot Five (5) and lying Southerly of the Westerly extension of the line of Lot Six (6) in Block One (1), in Fort Des Moines, now included in and forming a part of the City of Des Moines, Iowa; and

WHEREAS, on June 28, 2010, by Roll Call No. 10-1096, the City submitted an application on behalf of the above referenced project to IEDA for \$3,000,000 of CDBG-DR funds for a multi-family housing project; and

WHEREAS, IEDA amended Contract 08-DRH-209 to add \$3,000,000 for development of 120 total rental units at 713 Walnut Street, at least 51% of which were to be considered assisted units affordable to households below 80% of median income units; and

WHEREAS, on December 3, 2012, by Roll Call No. 12-1883, the City of Des Moines approved the \$3,000,000 CDBG-DR loan with the Alexander Company and an additional loan to the project consisting of \$250,000 of HOME funds for development of the project; and

WHEREAS, the Project Agreement between the City and Alexander Company was recorded on September 4, 2013 in Book 14945, Page 32 in the office of the Polk County Recorder; and

WHEREAS, following said approvals and recording, the above-referenced property suffered fire damage, causing a delay and change in plans for the project and a change in material terms of the recorded Project Agreement; and

WHEREAS, Alexander Company has conveyed the property to Blackbird Investments, with whom City staff have negotiated a CDBG-DR agreement to fund redevelopment of the property by Blackbird Investments in lieu of Alexander Company, as also approved by IEDA; and

WHEREAS, the City and Alexander Company have negotiated a Termination of Agreement providing for a mutual termination of the Project Agreement recorded on September 4, 2013 in Book 14945, Page 32 in the office of the Polk County Recorder.

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NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the Termination of Agreement, as on file in the office of the City Clerk, is hereby approved, terminating the CDBG-DR agreement by and between the City and The Alexander Company, Incorporated, related to redevelopment of the Wilkins Building; and the Community Development Department Director is hereby authorized and directed to execute said Termination of Agreement and to execute and record any releases for documents associated with said CDBG-DR agreement.

Moved by _____ to adopt.

APPROVED AS TO FORM:

Glenna K. Frank

 Glenna K. Frank
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED APPROVED
 _____ Mayor

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.

_____ City Clerk