



Date September 14, 2015

RESOLUTION APPROVING \$3,750,000 COMMUNITY DEVELOPMENT BLOCK GRANT-DISASTER RECOVERY LOAN AND CONTRACT DOCUMENTS FOR DEVELOPMENT OF 90 UNITS OF HOUSING AT THE EDGE AT GRAY’S LANDING, 406 SW 9TH STREET WITH EDGE AT GRAY’S LANDING LLC (George Sherman, Sherman Associates, Inc.), AND APPROVING INTERCREDITOR AND SUBORDINATION AGREEMENT WITH AMERICAN NATIONAL BANK AND THE EDGE AT GRAY’S LANDING LLC

WHEREAS, the Iowa Economic Development Authority (IEDA) received Community Development Block Grant Program Disaster Recovery (CDBG-DR) Funds from P.L. 110-329, Second Federal Disaster Appropriation, to administer per a statewide allocation plan after the disasters of 2008; and

WHEREAS, on April 20, 2009, by Roll Call No. 09-645, the City of Des Moines entered into Contract 08-DRH-209 with IEDA to provide CDBG-DR funding for disaster relief in Des Moines; and

WHEREAS, in July 2014, Sherman Associates, Inc. applied to the City for the use of \$3,000,000 of CDBG-DR funds for a 90-unit multi-family rental housing development for The Edge at Gray’s Landing located at 406 SW 9th Street; and

WHEREAS, on August 25, 2014, by Roll Call No. 14-1327, the City Council approved submission of application to IEDA for \$3,000,000 of CDBG-DR funding on behalf of the above-referenced project, which funding was approved by IEDA; and

WHEREAS, on February 9, 2015, by Roll Call 15-0207 and on March 23, 2015, by Roll Call No. 15-0503, the City of Des Moines approved amendments to CDBG-DR Contract (08-DRH-209) between IEDA and the City to accept the \$3,000,000 award for The Edge at Gray’s Landing Development and an additional \$750,000 for storm water management; and

WHEREAS, on May 18, 2015, by Roll Call 15-0823, the City Council approved a parcel development agreement with the Edge at Gray’s Landing LLC and Redevelopment Plan for construction of a 90-unit apartment building located at the corner of SW 9th and Tuttle Street; and

WHEREAS, such parcel is legally described as:

Parcel “T” as shown on Plat of Survey recorded August 14, 2015, in Book 15697, page 523 in the Office of the County Recorder of Polk County, Iowa.

Also described as:



Date September 14, 2015

A PART OF LOTS B, G, H, 6, 7, 8 AND 9 OF FACTORY ADDITION PLAT 3, AN OFFICIAL PLAT, NOW INCLUDED IN AND FORMING A PART OF THE CITY OF DES MOINES, POLK COUNTY, IOWA AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER LOT 1, OF SAID FACTORY ADDITION PLAT 3; THENCE SOUTH 15°27'16" EAST ALONG THE EAST LINE OF SAID FACTORY ADDITION PLAT 3 AND BEING ALONG THE WEST RIGHT-OF-WAY LINE OF SW 9TH STREET, 422.44 FEET TO THE NORTHEAST CORNER OF SAID LOT 7; THENCE CONTINUING SOUTH 15°27'16" EAST ALONG SAID EAST LINE OF FACTORY ADDITION PLAT 3 AND ALONG SAID WEST RIGHT-OF-WAY LINE OF SW 9TH STREET, 35.91 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 15°27'16" EAST ALONG SAID EAST LINE OF FACTORY ADDITION PLAT 3 AND ALONG SAID WEST RIGHT-OF-WAY LINE OF SW 9TH STREET, 331.30 FEET; THENCE SOUTH 74°33'40" WEST, 211.77 FEET; THENCE NORTH 15°38'17" WEST, 181.52 FEET; THENCE NORTH 07°56'45" WEST, 202.48 FEET; THENCE NORTH 82°03'15" EAST, 150.06 FEET; THENCE SOUTH 65°12'44" EAST, 48.63 FEET TO THE POINT OF BEGINNING; and

WHEREAS, on August 10, 2015, the City of Des Moines received a notice of Release of Funds from IEDA based on the Environmental Review Record submitted and Official Publication in the Des Moines Register; and

WHEREAS, the City and The Edge at Gray's Landing LLC have negotiated the terms of a CDBG-DR Agreement to provide \$3,750,000 in CDBG-DR funding for the above-referenced project; and

WHEREAS, The Edge at Gray's Landing LLC is receiving project funding in the amounts of \$1,200,000 and \$7,810,000 as first mortgage loan(s) from American National Bank; and

WHEREAS, American National Bank requires that the City of Des Moines subordinate its CDBG-DR Agreement and Mortgage, except for the Restrictive Covenant related thereto, to the first mortgage loan(s), and has negotiated with City staff on the terms of an Intercreditor and Subordination Agreement to effectuate said subordination.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the CDBG-DR Agreement and related documents, and the Intercreditor and Subordination Agreement related thereto, all on file in the City Clerk's office, are hereby approved; the Director of the Community Development Department is hereby authorized and directed to execute and record said documents on behalf of the City; and the Director of the Community Development Department and his designee(s) are directed to record, administer and monitor the terms of the Agreements for compliance by The Edge at Gray's Landing LLC.



Roll Call Number

Agenda Item Number

38

Date September 14, 2015

(Council Communication No. 15- 482)

MOVED BY _____ TO ADOPT.

FORM APPROVED:

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