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Date December 21, 2015

**RESOLUTION APPROVING THIRD AMENDMENT TO THE URBAN RENEWAL
DEVELOPMENT AGREEMENT WITH INDIGO DAWN, LLC FOR THE
REDEVELOPMENT OF 800 19TH STREET AND SUBROGATION AGREEMENT
FOR ADDITIONAL FINANCING BY LINCOLN SAVINGS BANK**

WHEREAS, on June 14, 2010, by Roll Call No. 10-924, City Council approved an Urban Renewal Development Agreement with Indigo Dawn, L.L.C. ("Developer"), represented by Chaden Halfhill, its Managing Member, for the renovation of the building at 800 19th Street to have at least two stores and approximately 6000 square feet of gross floor area for office, professional service, and retail use in substantial compliance with the approved Conceptual Development Plan; and,

WHEREAS, the project has experienced unforeseen redesign issues, including but not limited to building foundation and sanitary sewer issues, and unanticipated challenges to coordinate the administration of the multiple sources of financing involved in the project, that have collectively contributed to project delays and cost overruns; and,

WHEREAS, on June 28, 2010, by Roll Call No. 10-1030, the City Council approved a First Amendment to the Development Agreement, which as so amended now provides that in consideration of the renovation of the building by the Developer, the City is providing an Economic Development Loan in the amount of \$185,000 and a Bridge Loan in the amount of \$220,000, and a Neighborhood Revitalization Facade Grant in the amount of \$15,000; and,

WHEREAS, on July 15, 2013, by Roll Call No. 13-1107, the City Council approved a Second Amendment to Development Agreement with the Developer which allows for a delay until December 31, 2014 to complete the project, and for delays in the repayment of the Economic Development Loan and Bridge Loan as more specifically described in Council Communication No. 13-361; and,

WHEREAS, the Developer has been timely paying the installments on the two City loans, but has been unable to timely complete the renovation of the building; and,

WHEREAS, the Developer has obtained a commitment for additional financing from Lincoln Savings Bank which will be used to pay off the existing first mortgage loan and inject approximately \$500,000 of additional financing into the project, subject to the City subordinating its second mortgage to the new first mortgage to Lincoln Savings Bank; and,

WHEREAS, the Office of Economic Development has negotiated a third amendment to the Development Agreement which grants a further extension of time for the completion of the building renovation and restructures the two City loans, all more specifically described in the Third Amendment to Development Agreement which is on file and available for public inspection in the office of the City Clerk.

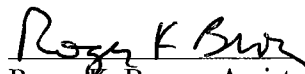
Date December 21, 2015

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

1. The Third Amendment to Development Agreement between the City and Indigo Dawn, LLC, which is on file in the Office of the City Clerk is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City.
2. The subrogation of the City's existing second mortgage on the project to the new first mortgage loan from Lincoln Savings Bank in the principal amount of approximately \$921,000, is hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute a subrogation agreement subordinating the City's second mortgage to the new first mortgage from Lincoln Savings Bank, subject to approval of the form of the subordination agreement by the City Manager and Legal Department.
3. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement as hereby amended, on behalf of the City.

MOVED by _____ to adopt.

FORM APPROVED:



Roger K. Brown, Assistant City Attorney

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