

Date March 20, 2017

AUTHORIZING PRELIMINARY COMMITMENT OF \$250,000 OF COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS TO DES MOINES HERITAGE TRUST TO BE USED TOWARD PURCHASE OF 120 E. 5TH STREET, THE HISTORIC UNION RAILWAY PASSENGER DEPOT

WHEREAS, on November 3, 2014, by Roll Call No. 14-1730, the City Council approved the 2015-2019 Five (5) Year Des Moines Strategic Plan and First Year (2015) Action Plan for the U.S. Department of Housing and Urban Development (HUD) Consolidated Plan; and

WHEREAS, the 2015-2019 Strategic Plan includes the use of CDBG funding for purchase and rehabilitation of properties to further neighborhood revitalization efforts by eliminating blight by improving buildings and corridors; and

WHEREAS, the Union Railway Passenger Depot and site ("Depot"), located at 120 E. 5th Street, is within the boundary of the Metro Center Urban Renewal Project, and the Restated Urban Renewal Plan for Metro Center includes goals for eliminating blight by acquiring and improving underused buildings; and

WHEREAS, the Depot has been minimally occupied for a number of years and is in poor condition as documented by the Polk County Assessor and City staff; and

WHEREAS, Des Moines Heritage Trust ("DMHT"), an Iowa non-profit corporation, has an accepted purchase offer for the Depot with Two Brothers Holdings, LLC and has approached the City for funding to help with the \$500,000 cost of acquisition; and

WHEREAS, the DMHT has a \$3,500,000 development plan for the Depot which involves historical renovation of the original depot building for office and museum space, construction of a new building for community space, and installation of parking and landscaping improvements; and

WHEREAS, the Depot is eligible for the National Register of Historic Places and its acquisition and subsequent rehabilitation is in conformance with City goals of preserving historic buildings and eliminating blight; and

WHEREAS, the proposed allocation of funds was reviewed and approved by the Neighborhood Revitalization Board (NRB) at its March 1, 2017 meeting.

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

1. That \$250,000 of CDBG funding be preliminarily committed to Des Moines Heritage Trust (DMHT) for the acquisition phase of the Depot.

Date March 20, 2017

2. That City staff are authorized and directed to negotiate a CDBG Agreement with DMHT, to be submitted to City Council for consideration and approval, including the following conditions:

- a. The DMHT shall secure an additional \$250,000 for acquisition costs plus adequate funding to maintain and mothball the Depot until funding for demolition and rehabilitation is available, as determined by City staff.
- b. Per CDBG requirements, an Environmental Review Record must be completed and the City must receive a release of funds from the U.S. Department of Housing and Urban Development (HUD).
- c. An independent appraisal must be completed to verify that fair market value is paid by DMHT to Two Brothers Holdings, LLC (Jerry King) for the purchase of the Depot.
- d. DMHT shall complete, for City staff review and approval, the support documents proving organization capacity and resource capacity.
- e. DMHT must obtain and incorporate Urban Design Review Board (UDRB) recommendations into its scope of work (to occur in spring 2017) and final design review (to occur prior to construction).

(Council Communication No. 17-~~288~~)

MOVED BY _____ TO ADOPT

FORM APPROVED:


Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GREY				
HENSLEY				
MOORE				
WESTERGAARD				
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.

Clerk