



Roll Call Number

Agenda Item Number

41 ✓

Date February 5, 2018

Request from Pillars of Promise, represented by Rob Best, to speak regarding the long-term lease and redevelopment of approximately 7 acres of City-owned property located between 9th and 11th Streets and between Jefferson and College Avenues (Site of Grubb YMCA) for a new YMCA facility, non-profit building, and recreational fields.

(Council Communication No. 18-067)

Moved by \_\_\_\_\_ to receive and file Letter of Intent, and refer to the City Manager to review the most appropriate form of conveyance of the property, including long-term lease, outright sale, and contract sale, and proceed with negotiation of appropriate agreement(s) consistent with City policies and procedures.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
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.

\_\_\_\_\_  
City Clerk

# PILLARS OF PROMISE

January 31, 2018

Des Moines City Council  
City of Des Moines  
400 Robert D. Ray Drive  
Des Moines, IA 50309

Re: Letter of Intent Regarding the Lease of Land for Development of New YMCA,  
Non-Profit Building, and Playing Fields

Mayor Cownie and Members of the Des Moines City Council:

On behalf of Pillars of Promise (POP), please accept this Letter of Intent (LOI) for the City-owned parcel located between 9<sup>th</sup> and 11<sup>th</sup> Streets, College and Jefferson Avenues. Pillars of Promise is seeking a long-term lease, for up to a 99-year term, in order to develop a new YMCA, non-profit building and recreational playing fields. POP agrees to follow the following requirements and benchmarks as established through preliminary conversations with City Manager Sanders and City staff.

## **Requirements for a Long Term Lease**

1. Commit to a campus-like feel for the development by separating the buildings and services provided physically and/or visually (see attached Campus Concept for reference). Elected and appointed officials, as well as City staff, will continue to review and recommend architectural and site design solutions that are appropriate within the context of the existing neighborhood and the history of the site. Additional requirements include:
  - a. The built space should be flexible, except for certain recreational opportunities within the YMCA. Exterior branding will be allowed for the YMCA, other major service providers as well as a potential naming rights investor(s), subject to the requirements of any applicable City policy or ordinance including zoning code(s) and naming policies. Interior branding will be permitted.
  - b. The existing Grubb Y will not be demolished or repurposed until the new YMCA is operational.
  - c. Pedestrian pathways to link the whole site, particularly along Washington Avenue.
2. POP will provide information concerning the Pillars of Promise Articles of Incorporation, by-laws, and a listing of board members with a short bio by March 1, 2018;
3. POP will provide the City with a short and long-term plans for involvement with the site, its development and its intended operations by March 1, 2018;
4. POP will provide a preliminary ownership and management structure for the buildings and playing fields by March 1, 2018;
5. The YMCA shall provide data regarding current users in addition to market research on potential users of an expanded facility and offerings by April 1, 2018;

6. POP will provide a time frame and preliminary budget for the construction of the buildings and the improvements to the playing fields by June 1, 2018. Demolition of the Grubb YMCA building should be included in this cost and timeline.
7. POP will continue to meet regularly with the recognized neighborhood associations, King-Irving and River Bend that adjoin the site concerning the proposed use and development on this property.
8. Fair market rent is required to be paid annually for the term of the lease. The fair market rent owed to the City may be off-set by demolition costs incurred by POP for demolition and removal of the existing YMCA building from the property.
9. POP shall comply with City non-discrimination, indemnification, and insurance requirements associated with the lease for its duration.

### **Benchmark Requirements and Dates to Enter into Lease**

This LOI requires the following to be satisfied prior to moving forward with a lease agreement:

1. POP will routinely meet with City staff to provide updates on specifications, materials, massing of buildings, funding and additional market studies.
2. POP will provide the City a schedule of ongoing community advisory meetings and provide the City summaries of those meetings.
3. Greater Des Moines YMCA and City will review current Grubb YMCA lease agreement for extension and will work with POP to establish a transition plan.
4. **May 2018:** POP will provide letters of preliminary interest by nonprofits and service providers to be located within the POP building as well as any rents/utility charges anticipated. In addition, POP will provide a plan as to how other non-profits and neighborhood groups without a lease could use the facility for on-going or special events.
5. **June 2018:** POP will have secured both an honorary national chair and an honorary local chair for the funding campaign.
6. **August 2018:** POP will present the following at a City Council workshop:
  - a) Site plan and elevations showing locations of facilities, building elevations, materials, windows, and interior floorplans.
  - b) Market studies for use of the facility by neighborhoods and the larger community. Transportation plans to draw children to YMCA and playing fields. Include information about how this YMCA would compare/contrast to others that are in neighborhood settings.
  - c) Updated construction costs and time frame.
  - d) Update on fundraising and expected amount and financing structure of any debt.
7. **September 2018:** POP will schedule preliminary reviews by the Historic Preservation Commission, the Parks Board and the Urban Design Review Board, and Plan & Zoning Commission/administratively approved site plan.
8. **November 2018;** POP will have secured 33% of project costs through pledges and gifts, as well as a letter from a financial institution indicating that financing has been approved for the project.
9. **March 2019;** POP will have secured 66% of project costs through pledges and gifts.

**ADDITIONAL FACTORS:**

**Children and Family Urban Movement (CFUM)**

City Council actions are scheduled on January 22, 2018 and February 5, 2018 to sell a parcel of City-owned property to Christensen Development for construction of an 18,000-20,000 square foot building for use as a tutoring center and office site for CFUM. Parking for the development as well as a small amount of green space will be incorporated into the approximately 1.12-acre site that is located at the corner of 9<sup>th</sup> and College. (See Attached Preliminary Proposal)

The City expects Pillars of Promise Board members to continue to collaborate with the CFUM Board and staff during construction of the new facility and as Pillars designs progress.

**5<sup>th</sup> Judicial District Property**

If the Department of Correctional Services chooses to sell the land currently under its ownership, the City will take the lead in negotiations. This land includes both the historic chapel site and school structure and the parking lot on the north side of Washington Avenue. The City will decide during negotiations whether the historic chapel and school structure may be rehabilitated for housing, the site is rebuilt for housing, or the site is retained/sold for additional open space.

Sincerely,

Rob Best  
Pillars of Promise  
Principal Real Estate Investors