

Date September 10, 2018

**RESOLUTION APPROVING DEVELOPMENT AGREEMENT WITH
DES MOINES GRIFFIN BUILDING, LLC FOR COMMERCIAL AND RESIDENTIAL
DEVELOPMENT AT 319 7TH STREET, AND APPROVING PROPOSED
CONCEPTUAL DEVELOPMENT PLAN**

WHEREAS, on July 9, 2018, by Roll Call No. 18-1159, the City Council received Communication No. 18-352 setting forth a developer-initiated proposal and preliminary terms of agreement with Des Moines Griffin Building, LLC (Tim Rypma, Jeremy Cortright, Paul Cownie, Development Members; Ron Daniels, Abe Wolf, Lead Investors)(“Developer”) for restoration and redevelopment of the Griffin Building, located at 319 7th Street in downtown Des Moines, with approximately 35 residential apartment units in the upper four floors and approximately 13,500 square feet of commercial space, including ground floor commercial uses and second floor office or retail uses (“Project”), which proposal has been awarded federal and State historic tax credits and State workforce housing tax credits; and

WHEREAS, pursuant to Roll Call No. 18-1159, the City Council directed the City Manager to proceed with negotiation of a development agreement with Developer for said Project including affordability requirements for a minimum of ten percent (10%) of the residential apartment units and historical recognition located in the ground floor of the building; and

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the “Development Agreement”) with the Developer, whereby the Developer has agreed to construct the Project, in accordance with a City-approved site plan and the Conceptual Development Plan, with a total project cost estimated at \$12,400,000.00; and

WHEREAS, the proposed Development Agreement and the Conceptual Development Plan related thereto are on file and available for inspection in the office of the City Clerk; and

WHEREAS, the proposed Development Agreement provides that in consideration of the undertakings by Developer, the City shall provide economic development assistance for redevelopment of the Property in the form of an Economic Development Grant to be paid in 40 semi-annual installments of fifty-hundred percent (50%) of the incremental taxes generated by redevelopment of the Property, for a total of an one-hundred percent (100%) annual allocation, excluding tax levy and taxes generated by the Downtown Des Moines Self-Supported Municipal Improvement District, in the estimated total amount of approximately \$2,845,578.00; and

WHEREAS, at its meeting on August 28, 2018, the Urban Design Review Board voted 6-0-2 in support of a motion to recommend approval of final design as proposed by the Developer and set forth in the Conceptual Development Plan attached to the Development Agreement, and approval of financial assistance as set forth above and in said Agreement.

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

1. The City Council hereby makes the following findings in support of the proposed Development Agreement with Des Moines Griffin Building, LLC:
 - a. Developer's obligations under the Development Agreement to construct the Project furthers the objectives of the Metro Center Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents, to encourage the development of affordable and market-rate housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live, work and retain employment in the downtown area, to provide a variety of locations to serve the different housing markets within the City, and to maintain taxable values and employment opportunities within the Urban Renewal Project Area.
 - b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Urban Renewal Project Area in accordance with the Urban Renewal Plan; (ii) it will establish conditions which attract further new investments and prevent the recurrence of blight and blighting conditions; (iii) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost; and (iv) it will encourage further private investment and will attract and retain residents and businesses in the downtown area of the City of Des Moines to reverse the pattern of disinvestment and declining property values in the Project Area.
 - c. The construction of the Project is a speculative venture and the construction and resulting employment and redevelopment opportunities would not occur without the economic incentives provided by the Development Agreement, and funding and support through federal and State historic tax credits and Iowa workforce housing tax credits.
 - d. The redevelopment of the Property pursuant to the Development Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
2. The Urban Renewal Development Agreement between the City and Des Moines Griffin Building, LLC, and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
3. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Development Agreement.



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4. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Comm. No. 18-441)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:

Glenna K. Frank

Glenna K. Frank, Assistant City Attorney

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