

Date December 16, 2019

APPROVAL OF THE ADVANCE OF FUNDS TO THE METRO CENTER URBAN RENEWAL PROJECT FOR THE PAYMENT OF REIMBURSEMENT TO THE FED TITLE-23 LAND SALES ACCOUNT RELATED TO CONNOLLY LOFTS PROPERTY ACQUISITION

WHEREAS, on November 18, 2019, by Roll Call No. 19-1878, the City Council approved an Urban Renewal Development Agreement (the "Agreement") with Connolly Lofts Associates, L.P. ("Developer"), represented by Frank Levy, Officer, relating to the sale of City-owned property located at the intersections of SE 6th Street and East Martin Luther King Jr. Parkway, locally known as 401 SE 6th Street and 400 SE 7th Street (collectively "Property") and located in the Market District, for development of a 4-story, estimated 57-unit multi-family residential building, including approximately 4 dwelling units affordable to households at or below 50% of area median income, and an estimated 49 on-site parking spaces for residents, by which the City will provide to Developer an economic development grant as a declining percentage of project generated tax increment (TIF) funding and a forgivable loan, all as more further described in said Roll Call; and

WHEREAS, pursuant to the Agreement, the Developer has closed on the purchase of the Property and title thereto has been transferred from the City to the Developer for its use in redevelopment and construction of the above-described Project; and

WHEREAS, the Property was originally purchased by the City using Federal Highway Administration (FHWA) funds, resulting in a federal encumbrance on the Property, and in order to release the federal interest in the Property, a portion of the proceeds from the sale in the amount of \$350,000.00, minus any environmental remediation credit available to the City, must be deposited by the City into the Fed Title-23 Land Sales account (C038EG99, ST500); and

WHEREAS, while City staff have timely certified said payment with the County Auditor in accordance with Iowa Code Section 403.19 to occur in fiscal year (FY) 2021/2022, the payment should occur closer in time to the recent transfer of the Property in order for the City to comply with the FHWA funding obligations; and

WHEREAS, the City Manager recommends that the City now advance funds in an amount not to exceed \$350,000.00, minus any environmental remediation credit available to the City, for payment to the Fed Title-23 Land Sales account to fully release the federal interest in the Property, with such advance to be reimbursed from the Special Fund for the Metro Center Urban Renewal Project Area in FY2021/22.

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

1. The City Council hereby makes the following findings:

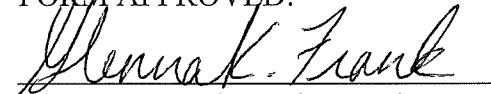
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- a) Pursuant to Ordinance No. 15,554 there has been established a special tax increment fund for the Metro Center Urban Renewal Area (the "Tax Increment Fund"), into which all incremental taxes from the Metro Center Urban Renewal Area, as amended, are deposited.
 - b) The payment for the Property is identified in the Metro Center Urban Renewal Plan as an obligation eligible for payment from the Tax Increment Fund, subject to the certification of the obligation to the Polk County Auditor pursuant to Iowa Code §403.19, which certification occurred prior to December 1, 2019, for payment in FY2021/22.
 - c) The immediate advance of an amount not to exceed \$350,000.00, minus any environmental remediation credit available to the City, from another source is necessary to fund the timely payment of the Fed Title-23 Land Sales account.
2. It is hereby directed that a sum not to \$350,000.00, minus any environmental remediation credit available to the City be advanced from CM025033-528190, a special revenue fund of the City, for full payment of the Property sales proceeds to the Fed Title-23 Land Sales account (C038EG99, ST500). The advance shall be treated as an internal loan and shall be repaid from the Tax Increment Fund with respect to the Metro Center Urban Renewal Area, as those funds become available.

MOVED by _____ to adopt.

FORM APPROVED:


 Glenna K. Frank, Assistant City Attorney

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

CERTIFICATE

I, P. KAY CMELIK, 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.

MOTION CARRIED APPROVED

_____ Mayor

_____ City Clerk