

Date January 13, 2020

RESOLUTION APROVING FIRST AMENDMENT TO URBAN RENEWAL AGREEMENT WITH NELSON DEVELOPMENT 1, LLC TO PURCHASE AND DEVELOP CITY-OWNED PROPERTY AT 418 EAST GRAND AVENUE IN THE METRO CENTER URBAN RENEWAL AREA

WHEREAS, on July 23, 2018, by Roll Call No. 18-1295, the City Council approved an Urban Renewal Agreement for Sale of Land for Private Redevelopment with Nelson Development 1, LLC, represented by Michael Nelson (President) (“Developer”), for sale of City-owned property located at the intersections of East 4th Street and East Grand Avenue, locally known as 418 E. Grand Avenue (Polk County Assessor District/Parcel Nos. 040/01839-002-001 and 040/01839-002-002)(collectively “Property”) and located in the East Village, for development in two phases consisting of a three-level parking structure with approximately 402 total parking spaces in Phase 1, and a 5-story mixed use building in Phase 2 with approximately 36,000 square feet of commercial, retail and office space on the ground floor and second story, and 105 residential apartment units on the upper three stories, in exchange for economic development assistance in the form of a forgivable loan toward purchase of the Phase 2 property as well as tax increment financing as described in the Agreement; and

WHEREAS, the Agreement provides that the Developer shall close on acquisition of the Phase 2 property from the City no later than November 1, 2019, and does not contain a Minimum Assessment Agreement; and

WHEREAS, the Developer has requested that the Agreement be amended to revise the closing deadline from November 1, 2019 to March 1, 2020, and to incorporate a Minimum Assessment Agreement as Exhibit “G” thereto which Agreement establishes a minimum assessment of \$4,923,900.00 for the Commercial Portion of the Phase 2 Property and \$11,385,000.00 for the Residential Portion of the Property, with no changes to the city’s economic development assistance as set forth in the Agreement, which First Amendment to the Agreement and Exhibit “G”, Minimum Assessment Agreement, are on file and available for inspection in the office of the City Clerk.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the First Amendment to the Urban Renewal Agreement and Exhibit “G” thereto, the Minimum Assessment Agreement, are hereby approved, subject to approval of the Minimum Assessment Agreement by the Polk County Assessor; the Mayor is authorized and directed to execute said documents on behalf of the City of Des Moines and the City Clerk to attest to his signature; the City Manager or his designee(s) are authorized and directed to monitor compliance by the Developer with said Agreement as amended and to submit the Minimum Assessment Agreement to the Polk County Assessor; and the City Manager is authorized and directed to execute any additional minor amendments to the Agreement and to return any substantive amendments to the Agreement to the City Council for consideration and approval.

★ Roll Call Number

Agenda Item Number

43

Date January 13, 2020

(Council Comm. No. 20.003)

MOVED BY _____ to adopt.

FORM APPROVED:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, TOTAL, MOTION CARRIED, APPROVED, Mayor.

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.

City Clerk