



Date December 20, 2021

RESOLUTION APPROVING CONSENT TO ASSIGNMENT AND ASSUMPTION OF AMENDED AND RESTATED URBAN RENEWAL DEVELOPMENT AGREEMENT WITH MACERICH SOUTHRIDGE MALL LLC, THE MACERICH PARTNERSHIP, L.P., AND GENESIS HEALTH CLUB SPORTS COMPLEX S.E. LLC, AND APPROVING AMENDMENT TO CONCEPTUAL DEVELOPMENT PLAN, FOR THE REDEVELOPMENT AND REPURPOSING OF SOUTHRIDGE MALL TO INCLUDE A GENESIS HEALTH CLUB AND MULTI-SPORTS FACILITY

WHEREAS, on August 10, 2015, by Roll Call No. 15-1389, the City Council approved an Amended and Restated Urban Renewal Development Agreement (“Agreement”) with Macerich Southridge Mall LLC and Southridge Adjacent, LLC, a related company, represented by Scott McMurray, whereby Macerich has undertaken to redevelop and improve the Southridge Mall and the adjoining frontage lots in conformance with an approved Conceptual Development Plan and minimum development standards, in consideration of a separate economic development grant for each phase of the improvements to be paid in installments from the project-generated tax-increment financing from that phase; and

WHEREAS, in August 2016, the Sears department store at Southridge Mall vacated its big-box retail store space and accompanying auto center, which thereafter have remained vacant; and

WHEREAS, Macerich Southridge Mall LLC and The Macerich Partnership, L.P., as successor-in-interest to Southridge Adjacent, LLC (collectively “Macerich”), and Genesis Health Club Sports Complex S.E. LLC, a Kansas limited liability company represented by Rodney Steven II (“Genesis”), have entered into a purchase agreement by which Genesis will acquire from Macerich approximately 10 acres of the Southridge Mall property and renovate the 109,000 square-foot former Sears Building for an athletic club and multi-sports facility, with an estimated project cost of \$13,500,000.00 and improvements including approximately 42,000 square feet for gym weights and cardio equipment, approximately 42,000 square feet for basketball courts, and approximately 25,000 square feet of additional space that could be used for soccer, athletic training and/or swimming pool space, with potential partnership opportunities with Iowa Elite for basketball programming at the facility (project collectively “Sears Redevelopment”); and

WHEREAS, on June 8, 2020, by Roll Call No. 20-0916, the City Council received a development proposal and preliminary terms of agreement relating to the proposed Sears Redevelopment and directed the City Manager to proceed with negotiation of the necessary agreements and amendments to the existing Agreement consistent with said preliminary terms for consideration of approval by the City Council; and

WHEREAS, on August 17, 2020, by Roll Call No. 20-1334, the City Council approved a First Amendment to the Agreement (“First Amendment”) with Macerich, whereby Macerich has agreed to construct, operate, and maintain the Sears Redevelopment, subject to purchase agreement and approval of assignment to Genesis and further subject to and in accordance with an amendment to the Conceptual Development Plan to be submitted by Macerich and/or Genesis for City review and approval; and

Date December 20, 2021

WHEREAS, on August 3, 2021, a consensus of the members present of the Urban Design Review Board voted 6-0 to approve the amendment to the Conceptual Development Plan containing the Sears Redevelopment project, in form on file in the office of the City Clerk; and

WHEREAS, Macerich has requested City approval of a proposed Assignment and Assumption of Urban Renewal Development Agreement (the "Assignment Agreement") between the Macerich and Genesis, on file in the office of the City Clerk, wherein the City consents to the sale of the Sears Redevelopment site for the Improvements proposed by Genesis, and to the assignment to Genesis of the Economic Development Grant for this phase of the Improvements.

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

1. The amendment to the Conceptual Development Plan to include the Sears Redevelopment project is hereby approved and incorporated into the Agreement.
2. The proposed Assignment and Assumption of Urban Renewal Development Agreement is hereby approved, and the Mayor is authorized and directed to execute said document on behalf of the City of Des Moines and the City Clerk to attest to his signature.
3. Upon issuance of the Certificate of Completion for the Sears Redevelopment project described above and requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant attributable to said project pursuant to Article 5 of the Development Agreement, to Genesis as provided in the Agreement, as amended, and the Assignment Agreement.
4. The City Manager or his designees are hereby authorized and directed to administer the Agreement, as amended, and Assignment Agreement on behalf of the City and to monitor compliance by Genesis, with the terms and conditions of the Agreement, as amended, and the Assignment 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 such agreements.

(Council Communication No. 21- **562**)

FORM APPROVED:

MOVED by _____ to adopt.

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

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
GRAY				
MANDELBAUM				
VOSS				
WESTERGAARD				
TOTAL				
MOTION CARRIED	APPROVED			

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.

Mayor

City Clerk

Date December 20, 2021.....

**RESOLUTION APPROVING THIRD AMENDMENT TO AMENDED AND
RESTATED URBAN RENEWAL AGREEMENT FOR SALE OF LAND FOR
PRIVATE REDEVELOPMENT AND AMENDED DECLARATION OF
COVENANTS WITH MIESBLOCK COMMERCIAL, LLC (MICHAEL K. NELSON)**

WHEREAS, on April 11, 2016, by Roll Call No. 16-0631, the City Council approved an Urban Renewal Agreement for Sale of Land for Private Redevelopment with Grand 7 Partners, LLC, represented by Mike Nelson, which was amended by the First Amendment approved by the City Council on September 12, 2016, by Roll Call No. 16-1531, and further amended by the Second Amendment approved by the City Council on October 10, 2016, by Roll Call No. 16-1748; and

WHEREAS, on August 14, 2017, by Roll Call No. 17-1406, the City Council approved an Amended and Restated Urban Renewal Agreement for Sale of Land for Private Redevelopment (“Agreement”) with Grand 7 Partners, LLC, whereby Grand 7 Partners, LLC agreed to develop the property in three phases as follows (collectively “Improvements”), in consideration of economic incentives to be provided by the City:

- Phase 1 to include the construction of a building (“skywalk node”) at the southwest corner of the site that provided a connection between the existing Grand Avenue skywalk bridge and the new 7th Street skywalk bridge, including the vertical connection on this block with an elevator and open air stairway connecting between the sidewalk and skywalk levels;
- Phase 2 to include the construction of a 3-story, 18,000 square-foot commercial building with ground floor restaurant and offices on the upper floors along the Grand Avenue frontage, where currently Microsoft’s local offices occupy one floor and a restaurant has recently committed to moving into the first floor with opening planned for summer 2020; and
- Phase 3 to include the construction of an apartment building with a minimum of six (6) floors and 75 market rate dwelling units at the 7th Street and High Street frontages; and

WHEREAS, Grand 7 Partners, LLC has completed Phases 1 and 2 of said project in accordance with the Agreement and the City has issued the Certificates of Completion for said project phases; and

WHEREAS, on October 14, 2019, by Roll Call No. 19-1645, the City Council approved a First Amendment to the Agreement allowing an additional year for completion of Phase 3 of the Improvements; and

WHEREAS, on January 25, 2021, by Roll Call No. 21-0108, the City Council approved a Second Amendment to the Agreement allowing a second additional year for completion of Phase 3 of the Improvements, and further consented to the assignment of the Agreement by Grand 7 Partners, LLC to Miesblock Commercial, LLC (“Developer”), represented by Michael K. Nelson, Manager for purposes of the Developer completing Phase 3 of the Improvements; and

WHEREAS, the Developer has indicated that it will not be able to achieve the required project start or completion deadlines for Phase 3 as currently set forth in the Agreement, as amended by the Second Amendment thereto, of November 1, 2021 and April 1, 2023, respectively, and has requested a one-year extension of each deadline; and

Date December 20, 2021

WHEREAS, City staff and the Developer have negotiated a Third Amendment to the Agreement, in substantially the form on file in the office of the City Clerk, revising the project start and completion deadlines to November 1, 2022, and April 1, 2024, respectively, and revising related dates associated with the commencement of the City's tax abatement and economic development assistance for the project and contained in Exhibit A, Declaration of Covenants, to said Agreement.

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

1. The proposed Third Amendment to Amended and Restated Urban Renewal Agreement for Sale of Land for Private Redevelopment between the City and Miesblock Commercial, LLC, and Amended Declaration of Covenants related thereto, both in form on file in the office of the City Clerk, are hereby approved.
2. The Mayor is hereby authorized and directed to execute the Third Amendment and related Amended Declaration of Covenants on behalf of the City, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.
3. The City Clerk shall forward a duplicate original or certified copy of the Third Amendment to the Office of Economic Development for release to Miesblock Commercial, LLC, and shall record the Amended Declaration of Covenants in the office of the Polk County Recorder.

(Council Communication No. 21- **564**)

MOVED by _____ to adopt.

FORM APPROVED:

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

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

MOTION CARRIED APPROVED

Mayor

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IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk



Roll Call Number

Agenda Item Number

42

Date December 20, 2021

RECEIVE AND FILE COMMUNICATION FROM THE PLAN AND ZONING COMMISSION REGARDING PRELIMINARY PLAT "FILLMAN PRELIMINARY PLAT" ON PROPERTY LOCATED IN THE VICINITY OF 1415 EAST 38TH STREET

WHEREAS, on December 2, 2021, the City of Des Moines Plan and Zoning Commission voted 8-3 for DENIAL of a Preliminary Plat "Fillman Preliminary Plat", submitted by Capital City Real Estate, Inc. (owner), represented by Bruce Fillman (officer), on property located in the vicinity of 1415 East 38th Street, to allow subdivision of a 1.74-acre site into seven one-household residential lots accessible by new private cul-de-sac from East 38th Street.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, that the attached communication from the City Plan and Zoning Commission is hereby received and filed.

MOVED by _____ to receive and file.

FORM APPROVED:

/s/ Glenna K. Frank
Glenna K. Frank
Assistant City Attorney

(13-2021-1.82)

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

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MOTION CARRIED APPROVED

Mayor

City Clerk