



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

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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