



Date March 6, 2023

**APPROVAL OF SECOND AMENDMENT TO URBAN RENEWAL
DEVELOPMENT AGREEMENT WITH TERRACE HILL I, L.L.C. FOR THE
PROPERTIES LOCATED AT 2515 AND 2525 GRAND AVENUE**

WHEREAS, on December 16, 2019, by Roll Call No. 19-2016, the City Council approved a Development Agreement (“Agreement”) with Terrace Hill, LLC. (the "Developer") to develop property located at 215 and 2525 Grand Avenue; and

WHEREAS, on March 7, 2022, by Roll Call No. 22-0336, the City Council approved a First Amendment to the Agreement revising the Conceptual Development Plan that modifies the TIF schedule and completion date for the project; and,

WHEREAS, the Developer has requested an extension of some of the deadlines therein and an adjustment to the economic incentives; and

WHEREAS, in addition to extending deadlines for project completion, City staff has negotiated the following new development grant terms: a schedule of the project generated tax increment from the taxable building valuations (exclusive of land) in years 1-11, at 100% (the first of which is based on partial project completion), with an additional \$185,000 of non-project generated TIF in years 4&5, and an additional \$180,000 of non-project generated TIF in years 6-11, capped at a maximum of \$2.9 million (NPV at a 4.5% discount rate); and

WHEREAS, the amended development grant represents 13.5% of total project costs.

WHEREAS, the proposed second amendment to the Agreement is in the best interest of both parties.

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

1. That the Second Amendment to Urban Renewal Development Agreement is 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.
2. The City Clerk is directed to record the Second Amendment with the Polk County, Iowa Recorder's Office.
3. The Director of the Office of Economic Development or her designee are directed to submit a copy of the fully executed Second Amendment to Urban Renewal Development Agreement to the Finance Department for purposes of required Electronic Municipal Market Access disclosure filings and to enable the Finance Director to make any appropriate disclosure filings in accordance with the City’s adopted revised Disclosure Policy.



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4. Upon requisition by the Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to the Second Amendment to Urban Renewal Development Agreement.

(Council Communication No. 23-131)

MOVED BY _____ TO ADOPT.

Second by _____.

APPROVED AS TO FORM:

/s/ Lisa A. Wieland

Lisa A. Wieland, Assistant City Attorney

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

MOTION CARRIED

APPROVED

CERTIFICATE

I, LAURA BAUMGARTNER, 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