

Date October 2, 2023

RESOLUTION APPROVING FIRST AMENDED AND RESTATED URBAN RENEWAL DEVELOPMENT AGREEMENT WITH NORTH DES MOINES TOWN HALL, LP (CHADEN HALFHILL, KUUKU SAAH) FOR RENOVATION OF EXISTING BUILDING AT 1601 6TH AVENUE

WHEREAS, North Des Moines Town Hall, LP ("Developer"), (represented by Chaden Halfhill and Kuuku Saah, Members, Sixth Avenue Catalyst, LLC, its General Partner) has proposed the renovation of the existing 4,800 square-foot historic 2-story building located at 1601 6th Avenue, which is expected to include a restaurant use on the first floor, an additional commercial user on the lower level, and four (4) residential units on the second floor (collectively "Improvements") in the Metro Center Urban Renewal Area; and

WHEREAS, construction of the Improvements is anticipated to commence in the fall of 2023, with completion in the summer of 2025 at an estimated total project cost of \$3,500,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, the City's Office of Economic Development has negotiated final terms of an amendment to the Urban Renewal Development Agreement with the Developer, all as more specifically described in the accompanying Council Communication, which provides that in consideration of the Developer's commencement and completion of the Improvements and undertaking certain additional obligations, the City will provide an economic development forgivable loan to Developer in the amount of \$300,000.00, to be paid upon City's issuance of the certificate of completion for the Improvements, with loan forgiveness available in project year 20 subject to full compliance by Developer with said Agreement; and

WHEREAS, the Developer has been approved for a grant through the Neighborhood Commercial Revitalization program and associated development agreement by Roll Call No. 22-1888, which has been amended due to these additional terms; and

WHEREAS, by Roll Call 23-1088, the City Council approved preliminary terms of an amended Urban Renewal Development Agreement and the Developer and City staff have negotiated the terms of an Amended and Restated Urban Renewal Development Agreement in form on file in the office of the City Clerk; and

WHEREAS, the Urban Design Review Board voted 7-0 with 3 members absent to recommend approval of the design and financial assistance package as set forth in

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the Conceptual Plan and the Amended and Restated Urban Renewal Development Agreement at its meeting on August 15, 2023; and

WHEREAS, once completed, the Improvements are expected to provide no fewer than three (3) residential units which will be affordable for persons making not more than 60% AMI for the term of the forgivable loan; and

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

1. The City Council hereby makes the following findings in support of the proposed First Amended and Restated Development Agreement with North Des Moines Town Hall, LP (“Developer”):
 - a. The fulfillment of Developer's obligations under the Development Agreement to redevelop the Project further the goals and objectives of the Metro Center Urban Renewal Plan by generating the following public gains and benefits:
 - i. it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan;
 - ii. it will protect the health, safety, and general welfare of City residents;
 - iii. it will maintain and expand taxable property values;
 - iv. it will establish conditions which attract further new investments and prevent the recurrence or spread of blight and blighting conditions to the surrounding area; and
 - v. it will further the City’s efforts to retain and create job opportunities within the Project Area and surrounding area which might otherwise be lost.
 - b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under the Development Agreement to construct the Project will generate the public gains and benefits stated above in subsection (a).

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- c. The construction of the Project is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement.
 - d. The development of the Project pursuant to the Development Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
- 2. The Urban Renewal Development Agreement between the City and North Des Moines Town Hall, LP and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and attest to, respectively, the Agreement on behalf of the City of Des Moines.
 - 3. The City Manager or his designee are directed to submit a copy of the fully-executed Development Agreement to the Finance Department for purposes of required Electronic Municipal Market Access disclosure filings.
 - 4. Upon requisition by the Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Development Agreement.
 - 5. The Department Services Director or designee(s) are hereby authorized and directed to administer the Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The Department Services Director is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.
 - 6. The Declaration of Covenants, Exhibit C to the Agreement, are hereby accepted and the City Clerk is hereby authorized to accept the conveyance of the beneficiary interests set forth within the Declaration of Covenants.

(Council Communication No. 23- **445**)

Moved by _____ to adopt.

Second by _____



Roll Call Number

Agenda Item Number

50

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APPROVED AS TO FORM:

/s/ Gary D. Goudelock Jr.

Gary D. Goudelock Jr.
Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|----------|--------|
| COWNIE | | | | |
| BOESEN | | | | |
| GATTO | | | | |
| 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