

★ Roll Call Number

08-715

✓  
Agenda Item Number

58A

Date April 21, 2008

RESOLUTION CLOSING HEARING AND APPROVING PROPOSED URBAN  
RENEWAL DEVELOPMENT AGREEMENT WITH WELLMARK,  
CONCEPTUAL DEVELOPMENT PLAN AND RELATED AGREEMENTS

WHEREAS, on September 24, 2007, by Roll Call No. 07-1890, the City Council approved the preliminary terms of an agreement with Wellmark, Inc., a multi-state business, for City assistance in the redevelopment of the three blocks adjoining the north side of Grand Avenue between 11th and 14th Streets for use as Wellmark's new home office facility; and,

WHEREAS, a portion of the land needed for Wellmark's home office facility is owned by the City of Des Moines; and,

WHEREAS, by Ordinance No. 14, 724 passed November 19, 2007, the City Council vacated all of the High Street right-of-way between 10th Street and 14th Street, all of the 13th Street right-of-way between High Street and Grand Avenue, and all of the alley rights-of-way within the three block area bounded by High Street, Grand Avenue, 11th Street and 14th Street; and,

WHEREAS, on March 11, 2008, the Urban Design Review Board voted 6-0 in support of a motion to recommend approval of the proposed Conceptual Development Plan for Wellmark's new home office facility; and,

WHEREAS, the City Manager has negotiated an agreement with Wellmark, Inc., and its wholly-owned subsidiary Wellmark Holdings, Inc. (hereinafter collectively "Wellmark") whereby the City would undertake the following obligations:

- to relocate High Street between 10th and 14th Streets;
- to vacate and convey the rights-of-way and easements described below to Wellmark for a purchase price of \$1,586,000;
- to provide substantial financial incentives to Wellmark to be paid from the incremental taxes generated by the redevelopment of the property acquired by Wellmark for redevelopment;

and Wellmark would undertake the following obligations:

- to convey to the City portions of the land south of the existing High Street right-of-way between 11th and 14th Streets required for the relocation of High Street, and to convey to the City portions of the land adjoining the north side of Grand Avenue between 11th and 14th Streets to straighten the north line of Grand Avenue, all for a purchase price of \$386,000; and,

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- to construct and occupy a new home office facility within the three block area bounded by Grand Avenue, relocated High Street and 11th and 14th Streets containing an Office Building with approximately 500,000 square feet of office space and approximately 450 structured parking spaces and a Garage/Multi-use Building containing approximately 1,100 parking spaces and 30,000 square feet of finished interior floor area,

all as more specifically described in that proposed Urban Renewal Development Agreement between the City and Wellmark which is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, on April 7, 2008, by Roll Call No. 08-619, it was duly resolved by the City Council that the proposed Urban Renewal Development Agreement and the proposed sale and conveyance of such real estate to Wellmark, be set down for hearing on April 21, 2008, at 5:00 p.m., in the Council Chambers of City Hall; and,

WHEREAS, due notice of said proposal was given as provided by law, setting forth the time and place for hearing on said proposal; and,

WHEREAS, in accordance with said notice, those interested in said proposed sale and conveyance, both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council; NOW, THEREFORE,

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

1. Upon due consideration of the facts and statements of interested persons, the objections to said proposed vacation, sale and conveyance of real estate as described below are hereby overruled and the hearing is closed.

2. There is no public need for the right-of-way proposed to be vacated and the public would not be inconvenienced by reason of the vacation and conveyance of the following portions of the public right-of-way:

- The vacation and conveyance of portions of the 13th Street right-of-way between Grand Avenue and relocated High Street, portions of the High Street right-of-way between 11th Street and 13th Street, and all the alley rights-of-way within the area bounded by Grand Avenue, 11th Street, 14th Street and relocated High Street;
- The vacation of air rights and grant easements to Wellmark for a pedestrian bridge over 12th Street north of Grand Avenue; and,

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- The vacation of vacate air rights over and subsurface rights under portions of the adjoining public rights-of-way and grant easements to Wellmark for building encroachments over and under the public sidewalks,

all as more specifically described in the Urban Renewal Development Agreement.

3. The Urban Renewal Development Agreement between the City and Wellmark, and the sale of City-owned real estate as more specifically described above, is hereby APPROVED, subject to such further minor amendments as may be approved by the City Manager and Legal Department as being of no detrimental impact to the City.

4. The Physical Infrastructure Assistance Program ("PIAP") Funding Agreement between the City, Wellmark, Inc., and the Iowa Department of Economic Development ("IDED") which provides for the award of a forgivable loan from IDED to Wellmark in the amount of \$1 million to be used for physical infrastructure; and, which further commits the City to provide local financial assistance consistent with that provided under the Urban Renewal Development Agreement, is hereby APPROVED, subject to such further minor amendments as may be approved by the City Manager and the City Legal Department as being of no detrimental impact to the City.

5. The Mayor is authorized and directed to sign the Urban Renewal Development Agreement and the PIAP Funding Agreement as described above, and the City Clerk is authorized and directed to attest to the Mayor's signature.

6. The Mayor and City Clerk are further authorized and directed to execute the Special Warranty Deed, Easement for Pedestrian Bridge, Easement for Building Encroachments, Parking Agreement, Minimum Assessment Agreement, Skywalk Agreement and all other agreements and documents required to implement the terms of the Urban Renewal Development Agreement, provided the form of each such documents shall have been first approved by the City Legal Department.

7. The proposed Conceptual Development Plan for the new Wellmark Office Building and Garage/Multi-use Building is hereby approved pursuant to Section 402 of the Urban Renewal Development Agreement.

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8. The City Manager is hereby authorized and directed to administer the Urban Renewal Development Agreement and to close on the sale and purchase of real estate with Wellmark as provided in such Agreement.

( Council Communication No. 08-217 )

MOVED BY Hensley to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
HENSLEY	✓			
KIERNAN	✓			
MAHAFFEY	✓			
MEYER	✓			
VLASSIS	✓			
TOTAL	7			

CERTIFICATE

I, DIANE RAUH, 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.

Diane Rauh City Clerk

MOTION CARRIED

APPROVED

T. M. Franklin

Mayor