

★ Roll Call Number

10.924

Agenda Item Number

42

Date June 14, 2010

**RESOLUTION APPROVING A \$200,000 ECONOMIC DEVELOPMENT LOAN,  
A \$220,000 BRIDGE LOAN, AND A CONCEPTUAL DEVELOPMENT PLAN  
FOR THE RENOVATION OF 800 19th STREET**

WHEREAS, by Roll Call No. 09-195, dated February 9, 2009, City Council approved preliminary terms of agreement with Indigo Dawn, L.L.C. ("Developer"), represented by Chaden Halfhill, its Managing Member, regarding City financial assistance for improvements to the commercial building at 800 19th Street; and

WHEREAS, the City Manager has negotiated a Development Agreement ("the Agreement") with Developer which provides that in exchange for the financial assistance identified below, Developer shall renovate the building at 800 19th Street to have at least two stores and approximately 6000 square feet of gross floor area for office, professional service, and residential use in substantial compliance with the proposed Conceptual Development Plan (herein collectively called the "Improvements"); and

WHEREAS, the Agreement provides that the City shall advance an Economic Development Loan in the amount of \$200,000 at closing on the construction financing, with such loan to be repaid with interest at the rate of 3.0% in monthly installments of \$1,200, with any remaining principal and interest to be paid on December 1, 2031; and,

WHEREAS, the Agreement further provides that the City shall advance a Bridge Loan in the amount of \$220,000 at closing on the construction financing, with such loan to be repaid in a single installment without interest on June 30, 2012; and,

WHEREAS, the Developer's obligation to repay the two City loans is to be secured by a Real Estate Mortgage upon the property at 800 19th Street, and a personal guarantee by Chaden Halfhill; and,

WHEREAS, Developer's obligations under this Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will provide improvements and redevelopment in the Sherman Hill Historic Business District; (ii) it will encourage further private investment and will attract and retain other businesses in the Sherman Hill Historic Business District to reverse the pattern of disinvestment and declining employment in the area; and, (iii) it will lead to the creation and retention of job opportunities within the Sherman Hill Historic Business District which might otherwise be lost; and,

WHEREAS, City believes that the redevelopment of the Property pursuant to this Agreement, and the fulfillment generally of this 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

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financial assistance is being provided, and warrant the provision of the financial assistance set forth in the Agreement; and,

WHEREAS, a copy of the Development Agreement, Real Estate Mortgage, and Conceptual Development Agreement are on file and available for public inspection in the office of the City Clerk.

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

1. The Development Agreement between the City and Indigo Dawn, LLC, which is on file in the Office of the City Clerk, is hereby approved and the Mayor is hereby authorized and directed to sign the Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.

2. The proposed Conceptual Development Plan for the redevelopment of the Property at 800 19th Street is hereby approved.

3. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City. Upon satisfaction of the conditions for advancement of the Economic Development Loan and Bridge Loan pursuant to Article 4 of the Agreement and confirmation of same by the City Manager and the Legal Department, the Finance Department is hereby authorized and directed to advance such loans to the Developer in accordance with the terms of the Agreement.

( Council Communication No. 10- 355 )

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	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
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.

T. M. Franklin Council Mayor

Diane Rauh City Clerk