

★ **Roll Call Number**

..... 11-1251

Agenda Item Number

..... 57

Date July 11, 2011

RESOLUTION DESIGNATING PREFERRED REDEVELOPER
FOR THE PRIVATE REDEVELOPMENT OF THE DES MOINES BUILDING
AT 405 6th AVENUE AND 513 LOCUST STREET

WHEREAS, on January 10, 2011, by Roll Call No. 0040, the City Council of the City of Des Moines declared the Des Moines Building at 405 6th Avenue and 513 Locust Street to be a public nuisance and authorized the Legal Department to pursue a court order for the abatement of such nuisance, and to pursue a court order declaring the building abandoned and awarding title to the City; and,

WHEREAS, on February 28, 2011, by Roll Call No. 11-0370, in anticipation that the City would be awarded title to the Des Moines Building, the City Council authorized and directed the City Manager to solicit proposals for the acquisition and private redevelopment of the Des Moines Building in accordance with the procedures and process identified in Council Communication No. 11-110; and,

WHEREAS, the City was awarded title to the Des Moines Building free and clear of all liens and encumbrances by an ordered entered by the Polk County District Court on May 26, 2011, in Case No. CD61147; and,

WHEREAS, the City has received two proposals for the redevelopment of the Des Moines Building, one from Nelson Development and Construction and Foutch Brothers, LLC (hereinafter referred to as "Nelson Foutch"), represented by Mike Nelson and Steve Foutch, and one from Sherman Associates, represented by George Sherman; and,

WHEREAS, the City Manager recommends that the City Council select the proposal submitted by Nelson Foutch as the preferred redevelopment proposal; designate Nelson Foutch or their designee, as the Preferred Redeveloper authorized to seek State of Iowa historic preservation tax credits, grayfields financial assistance and enterprise zone benefits, and for federal historic tax credits for the redevelopment of the Des Moines Building; and authorize the City Manager to negotiate a development agreement with Nelson Foutch or their designee for the redevelopment of the Des Moines Building upon terms consistent with its proposal for consideration by the City Council at a future date; NOW THEREFORE,

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

1. The redevelopment proposal submitted by Nelson Development and Construction and Foutch Brothers, LLC, is hereby approved as the preferred redevelopment proposal for the Des Moines Building.
2. Nelson Development and Construction and Foutch Brothers, LLC, or their designee, are hereby designated as the Preferred Redeveloper for the Des Moines Building. The designee

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of Nelson Foutch must be a legal entity owned and controlled by Nelson Foutch and created solely for the purpose of rehabilitating the Des Moines Building.

- 3. The City Council hereby declares its intent to consider selling the Des Moines Building more specifically described below, to Nelson Development and Construction and Foutch Brothers, LLC, or their designee, for a purchase price of \$150,000, and to provide 10-year 100% tax abatement or an equivalent economic incentive to Nelson Foutch or their designee for redevelopment of the Des Moines Building in a manner consistent with its proposal.

Lots Three (3) and Four (4) in Block C in Commissioner's Addition to Fort Des Moines, an Official Plat, now included in and forming a part of the City of Des Moines, Polk County, Iowa.

- 4. Nelson Development and Construction and Foutch Brothers, LLC, or their designee, are hereby authorized to make application for State of Iowa historic preservation tax credits, grayfields financial assistance and enterprise zone benefits, and for federal historic tax credits for the redevelopment of the Des Moines Building.

(Council Communication No. 11- 467)

MOVED by Hensley to adopt and request that the Developer keep the Des Moines Building name; refer to the City Manager to develop a timeline for construction.

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			
MOTION CARRIED			APPROVED	

T. M. Franklin
Mayor

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 Fauh

City Clerk