

★ Roll Call Number

12-1884

Agenda Item Number

46B ✓

Date ..... December 3, 2012.....

**RESOLUTION APPROVING AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH THE ALEXANDER COMPANY, INC., AND CONCEPTUAL DEVELOPMENT PLAN, FOR RENOVATION OF THE BUILDING AT 713 WALNUT STREET (formerly the Younkers Department Store)**

WHEREAS, on June 11, 2012, by Roll Call No. 12-0893, the City Council approved amended preliminary terms of agreement with The Alexander Company, Inc., represented by Joe Alexander, President, for City assistance for the rehabilitation and renovation of the vacant building at 713 Walnut Street formerly known as the Younkers Department Store, and authorized the City Manager to negotiate a development agreement upon terms consistent with the approved preliminary terms; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with The Alexander Company, Inc., whereby it has agree to make the following Improvements to the Building at 713 Walnut Street in substantial compliance with the proposed Conceptual Development Plan:

- 1) Retention of the first story and approximately 13,000 square feet of the second story for commercial use;
- 2) Renovation of the Tea Room on the 6th floor for banquet space or other public assembly use;
- 3) Renovation of the basement for vehicular parking; and,
- 4) Renovation of the balance of the Younkers Building for multiple-family residential use with 120 apartments,

all in consideration of the City agreeing to provide an Economic Development Grant to be paid in ten annual installments commencing on December 1, 2014, with each installment to be in the amount of \$235,000, reduced by the following amounts:

- a) Each annual installment shall be reduced by 85% of the Qualified Rents for the Tea Room in the 12 month period ending on the prior June 30th, up to a maximum annual reduction of \$63,700 per year; and,
- b) Each annual installment shall be reduced by 9.5% of the amount of the Actual Iowa Historic Tax Credit Proceeds in excess of \$6,000,000, up to a maximum reduction of \$81,300 per year,

all as more specifically described in the Agreement which is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, Developer's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will renovate a vacant blighted building to productive use and contribute to the local tax base; (ii) it will contribute to the improvement and redevelopment of the downtown area in accordance with the Metro Center Urban Renewal Plan and the Downtown Plan titled "What's Next, Downtown?"; (iii) it will advance the goal of providing a range of affordable and market-rate housing in decent, safe and

( continued )

★ Roll Call Number

12-1884

Agenda Item Number

46B

Date December 3, 2012

-2-

sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area; (iv) it will encourage further private investment and will attract and retain other businesses in the downtown area to reverse the pattern of disinvestment and declining employment in the area; and, (v) it will lead to the creation and retention of job opportunities within the downtown area and in the Metro Center Urban Renewal Project Area which might otherwise be lost; and,

WHEREAS, the construction of the Improvements is a speculative venture and the public gains and benefits from the construction and resulting housing, employment and redevelopment opportunities would not occur without the economic incentives provided by the Agreement; and,

WHEREAS, City believes that the redevelopment of the building at 713 Walnut Street pursuant to the 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 Metro Center Urban Renewal Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement; and,

WHEREAS, on June 19, 2012, the Urban Design Review Board approved a motion to recommended approval of the amended preliminary terms of the Agreement, and July 17, 2012, the Board approved a motion to recommended approval of the accompanying Conceptual Development Plan.

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

1. The proposed Conceptual Development Plan for the renovation of the building at 713 Walnut Street is hereby approved.
2. The Urban Renewal Development Agreement between the City and The Alexander Company, Inc., 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.
3. The City Clerk is further authorized and directed to cause the Agreement to be promptly recorded in the office of the Polk County Recorder.
4. Upon satisfaction of the conditions for advancement of the economic development grant pursuant to Article 5 of the Agreement and confirmation of same by the City Manager and the Legal Department, the Finance Department is hereby authorized and directed to

( continued )

★ Roll Call Number

12-1884

Agenda Item Number

46B

Date December 3, 2012

-3-

advance the proceeds of such grant to The Alexander Company, Inc., in accordance with the terms of the Agreement.

- 5. The City Manager or his designees are hereby authorized and directed to administer the Agreement on behalf of the City; to monitor compliance by The Alexander Company, Inc., with the terms and conditions of the Agreement; and, to forward to the City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

( Council Communication No. 12- 600 )

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			

MOTION CARRIED

APPROVED

T. M. Franklin Council 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 Rauh

City Clerk