



**Roll Call Number**

15-0827

**Agenda Item Number**

38

**Date** May 18, 2015

**APPROVING LETTER OF SUPPORT FOR UPDATED APPLICATION TO IOWA ECONOMIC DEVELOPMENT AUTHORITY (IEDA) BY BLACKBIRD INVESTMENTS, LLC FOR REHABILITATION OF 713 WALNUT STREET (WILKINS BUILDING)**

WHEREAS, the Iowa Economic Development Authority (IEDA) received Community Development Block Grant Program Disaster Recovery (CDBG-DR) Funds from P.L. 110-329, Second Federal Disaster Appropriation, to administer per a statewide allocation plan after the disasters of 2008; and

WHEREAS, on April 20, 2009, by Roll Call No. 09-645, the City of Des Moines entered into Contract 08-DRH-209 with IEDA to provide CDBG-DR funding for disaster relief in Des Moines; and

WHEREAS, in June 2010, the Alexander Company applied to the City for the use of \$3,000,000 of CDBG-DR funds for a multi-family rental housing development for the Younkers and Wilkins Buildings property located at 713 Walnut Street and legally described as:

Lots Three (3), Four (4), Five (5), and Six (6), in Block One (1) in Fort Des Moines, now included in and forming a part of the City of Des Moines, Iowa; and

The North/South alley lying Northerly of the Westerly extension of the South line of Lot Five (5) and lying Southerly of the Westerly extension of the line of Lot Six (6) in Block One (1), in Fort Des Moines, now included in and forming a part of the City of Des Moines, Iowa; and

WHEREAS, on June 28, 2010, by Roll Call No. 10-1096, the City Council approved submission of application to IEDA for \$3,000,000 of CDBG-DR funding on behalf of the above-referenced project, which funding was approved by IEDA; and

WHEREAS, on November 8, 2010, by Roll Call No. 10-1849, the City of Des Moines approved Major Amendment #4 to CDBG-DR Contract (08-DRH-209) between IEDA and the City to accept the \$3,000,000 award for the Younkers Housing Development; and

WHEREAS, on December 3, 2012, by Roll Call No. 12-1883, the City approved a \$3,000,000 CDBG-DR Agreement with the Alexander Company for the Younkers Housing Development; and

WHEREAS, the completion of the project as detailed in said CDBG-DR Agreement became impossible when the eastern half of the building was destroyed by fire on March 29, 2014; and

WHEREAS, IEDA agreed to retain the \$3,000,000 of CDBG-DR for renovation of the Wilkins Building for 60 residential housing units and retail space; and

WHEREAS, on March 23, 2015, by Roll Call No. 15-1503, the City Council amended Contract 08-DRH-209 with IEDA to reflect the funding provided to the updated Wilkins Building project; and

WHEREAS, the Alexander Company has approached IEDA and City staff regarding a proposal to sell the Younkers and Wilkins Building site to Blackbird Investments, LLC, for redevelopment of the Wilkins Building using the plans accepted by the City and by the State Historic Preservation Office for housing and commercial space, including a historic renovation of the Wilkins Building with 60 housing units, 31 of

★ **Roll Call Number**

15-0827

**Agenda Item Number**

38

**Date** May 18, 2015

which are affordable for households below 80% of median income and 29 of which are market rate, and approximately 20,000 square feet of commercial space including the restored Tea Room; and

WHEREAS, IEDA requires Blackbird Investments, LLC to submit a new application by May 27, 2015, in order to consider approval of the transfer of the CDBG-DR funding from the Alexander Company to Blackbird Investments, LLC, which application must include a letter of support from the City and a confirmation by the City that the proposed project complies with CDBG-DR requirements; and

WHEREAS, City staff will work with Blackbird Investments, LLC and the Alexander Company over the next ten days to ensure that the project is ready to proceed and meets the requirements of the CDBG-DR program, in order for the City to submit the letter of support and confirmation as required by IEDA.

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

1. The submittal to IEDA of an application and letter of support for the transfer of the \$3,000,000 of CDBG-DR funding from the Alexander Company to Blackbird Investments, LLC, for redevelopment of the Wilkins Building as described herein, is hereby approved subject to confirmation by the City's Community Development Department Director or designee that the proposed project complies with CDBG-DR program requirements and all other IEDA requirements.
2. In the event that City staff confirms that the proposed Wilkins Building project is ready to proceed and meets the requirements of the CDBG-DR Program and all other IEDA requirements, the City Manager or his designee is directed and authorized to sign the letter of support and the City Community Development Director or designee is directed and authorized to provide such confirmation, and to submit same to IEDA, before the application deadline of May 27, 2015.
3. In the event that IEDA approves the application by Blackbird Investments, LLC, and agrees to transfer the CDBG-DR funding for the project, City staff are directed to negotiate with Blackbird Investments, LLC and to submit final agreement(s) to City Council for consideration and approval.

(Council Communication No. 15-268)

FORM APPROVED:

Glenna K. Frank  
Glenna K. Frank, Assistant City Attorney

MOVED BY Hensley TO ADOPT.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin Cownie  
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