

★ Roll Call Number

15.2127

Agenda Item Number

28

Date December 21, 2015

RESOLUTION APPROVING THIRD AMENDMENT TO THE URBAN
RENEWAL DEVELOPMENT AGREEMENT WITH INDIGO DAWN, LLC FOR
THE REDEVELOPMENT OF 800 19TH STREET

WHEREAS, on June 14, 2010, by Roll Call No. 10-924, City Council approved an Urban Renewal Development Agreement with Indigo Dawn, L.L.C. ("Developer"), represented by Chaden Halfhill, its Managing Member, for the renovation of 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 retail use in substantial compliance with the approved Conceptual Development Plan; and,

WHEREAS, the project has experienced unforeseen redesign issues, including but not limited to building foundation and sanitary sewer issues, and unanticipated challenges to coordinate the administration of the multiple sources of financing involved in the project, that have collectively contributed to project delays and cost overruns; and,

WHEREAS, on June 28, 2010, by Roll Call No. 10-1030, the City Council approved a First Amendment to the Development Agreement, which as so amended now provides that in consideration of the renovation of the building by the Developer, the City is providing an Economic Development Loan in the amount of \$185,000 and a Bridge Loan in the amount of \$220,000, all of which is effectively unsecured, and a Neighborhood Revitalization Facade Grant in the amount of \$15,000; and,

WHEREAS, on July 15, 2013, by Roll Call No. 13-1107, the City Council approved a Second Amendment to Development Agreement with the Developer which allows for a delay until December 31, 2014 to complete the project, and for delays in the repayment of the Economic Development Loan and Bridge Loan as more specifically described in Council Communication No. 13-361; and,

WHEREAS, the Developer has been unable to timely complete the renovation of the building; and,

WHEREAS, the Office of Economic Development has negotiated a third amendment to the Development Agreement which grants a further extension of time for the completion of the building renovation and forgives a portion of the accrued interest on the loans, as summarized in the accompanying council communication and more specifically described in the Third Amendment to Development Agreement which is 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:

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1. The Third Amendment to 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 Third Amendment on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.
2. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement as hereby amended on behalf of the City.

MOVED by _____ 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				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED

APPROVED

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.

City Clerk