



Roll Call Number

15-2185

Agenda Item Number

63 C

Date December 21, 2015

APPROVAL OF AGREEMENT WITH 101 EAST GRAND PARKING, LLC, FOR ACQUISITION OF THE PROFESSIONAL SERVICES AGREEMENTS AND DESIGN DOCUMENTS FOR THE DESIGN AND CONSTRUCTION OF THE PROPOSED CITY HALL PARKING GARAGE, IN THE EVENT THE PARTIES ARE UNABLE TO FINALIZE A LEASE-PURCHASE AGREEMENT FOR THAT GARAGE

WHEREAS, the City of Des Moines owns the surface parking lots east of City Hall, bordered by East Grand Avenue, East Locust Street, and East Second Street, and currently used for City employee parking and by Embassy Suites; and

WHEREAS, on June 22, 2015, by Roll Call No. 15-1088, the City Council received a report from the City Manager regarding a proposal by 219 East Grand, LLC (Jake Christensen and Tim Rypma, officers) for a phased development of the City-owned parking lots, to include housing, retail, and office components, and structured parking for current and planned redevelopment needs, all as more specifically described in Council Communication No. 15-318; and,

WHEREAS, on May 22, 2015, by said Roll Call No. 15-1088, the City Council selected 219 East Grand, LLC, as the preferred developer for the City-owned parking lots, and directed the City Manager or his designee to work with 219 East Grand, LLC, regarding programming, design and financial proposals for such development, and to submit to the City Council preliminary terms of agreement for this proposal or to take other appropriate action by no later than December 31, 2015; and,

WHEREAS, by a prior resolution on this date, the City Council has in the exercise of its urban renewal powers, approved preliminary terms of agreement with 219 East Grand, LLC, for the redevelopment of the City-owned parking lots with three phases of development, starting with the design and construction of a 5-story parking garage containing approximately 535 parking spaces to be lease-purchased by the City for public use; and,

WHEREAS, Jake Christensen and Tim Rypma has established 101 East Grand Parking, LLC (the "East Grand Parking"), as the development entity to construct the garage; and,

WHEREAS, East Grand Parking has incurred and will continue to incur substantial expense to assist the City in determining the appropriate size and design of the garage, and the City cannot enter into a binding commitment to lease-purchase the garage until after East Grand Parking has incurred substantial additional costs to complete the design and determine the cost of constructing and equipping the garage; and,

WHEREAS, the City Manager has negotiated an agreement with East Grand Parking whereby the parties will work cooperatively complete the design of the garage to the City's reasonable satisfaction and to determine the cost of constructing and equipping the garage as so designed, in anticipation that the City will enter into a future agreement to lease-purchase the garage, and the City agrees to reimburse East Grand Parking for portions of its out-of-pocket pre-development costs for the proposed garage up to a maximum reimbursement of \$1.5 million, in the event the City does not agree to lease-purchase the garage, all as summarized in the accompanying Council Communication, and more specifically described in the *Agreement for Assignment of Work Products from Professional Services Agreements for the City Hall Parking Ramp* which is on file and available for inspection in the office of the City Clerk.

( continued )

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-2-

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

1. The proposed Agreement with 101 East Grand Parking, LLC, described above is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
2. In the event the City does not enter into a future agreement with East Grand Parking to lease-purchase the parking garage by no fault of East Grand Parking, then upon requisition by the City Manager and approval by the City Attorney, the Finance Department is hereby authorized to make the payment to East Grand Parking as required by the Agreement.
3. This undertaking is made by the City in the exercise of its urban renewal powers, and any payment made pursuant to the Agreement shall be treated as an internal loan to the special fund created pursuant to Iowa Code §403.19 for the Metro Center Urban Renewal Area, and such loan shall be repaid from the tax increment revenues received with respect to the Metro Center Urban Renewal Area, as those funds become available.

( Council Communication No. 15- 668 )

MOVED by Gatto 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	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