



Roll Call Number

16-1531

Agenda Item Number

54

Date September 12, 2016

RESOLUTION APPROVING *FIRST AMENDMENT TO URBAN RENEWAL AGREEMENT FOR SALE OF LAND FOR PRIVATE REDEVELOPMENT* WITH GRAND 7 PARTNERS, LLC, AND APPROVING CONCEPTUAL DEVELOPMENT PLAN FOR THE REDEVELOPMENT OF THE PROPERTY EAST OF 7TH STREET BETWEEN GRAND AVENUE AND HIGH STREET,

WHEREAS, on April 11, 2016, by Roll Call No. 16-0631, the City approved an *URBAN RENEWAL AGREEMENT FOR SALE OF LAND FOR PRIVATE REDEVELOPMENT* (the "Agreement") with Grand 7 Partners, LLC, represented by Mike Nelson, whereby Grand 7 Partners has agreed to purchase the City-owned property east of 7th Street between Grand Avenue and High Street and to redevelop the property with a building having at least 8 stories with street level commercial space and at least 7 stories of luxury apartments or office space in consideration of the following economic incentives:

1. A Forgivable Economic Development Loan in the amount of \$1 million to be advanced by City within ten business days of execution of the Agreement, and forgiven upon City approval of a Conceptual Development Plan for the redevelopment of the property; and,
  2. An Economic Development Grant to be provided by City in two installments, with the first installment in the amount of \$1.1 to be paid at Closing on the purchase of the property by Grand 7 Partners, and the second installment in the amount of \$2 million to be paid within 10 business days after issuance of the Certificate of Completion for the redevelopment of the property,
- all as more specifically described in Council Communication No. 16-180; and,

WHEREAS, the Office of Economic Development has negotiated a First Amendment to the Agreement with Grand 7 Partners whereby Grand 7 Partners has agreed to redevelop the property with a taller 12 story building to be known as the Miesblock Building with street level commercial space and at least 10 stories of luxury apartments or office space, and to acquire and redevelop the adjoining alley with a plaza, all in conformance with a proposed Conceptual Development Plan, in consideration of an additional City incentive consisting of a Supplemental Economic Development Grant to be paid in 40 semi-annual installments equal to a percentage of the project generated tax increment, all as more specifically described in the accompanying Council Communication; and,

WHEREAS, the proposed First Amendment to the Agreement with Grand 7 Partners and the proposed Conceptual Development Plan are on file and available for inspection in the office of the City Clerk.

WHEREAS, the Urban Design Review Board reviewed the proposed Conceptual Development Plan and amended financial assistance at its meeting on September 6, 2016, and voted 5-0 with one abstention, in support of a motion to recommend approval of the Conceptual Development Plan and the amended financial assistance.



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

1. The City Council hereby makes the following findings in support of the Agreement with Grand 7 Partners as amended by the proposed First Amendment (hereinafter collectively referred to as the "Amended Agreement":
  - a) The obligations of Grand 7 Partners under the Amended Agreement furthers the objectives of the Metro Center Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents and maintain taxable values within the Urban Renewal Area, to increase employment opportunities, to encourage the development of a range of affordable and market-rate housing options in attractive settings to serve employees and other people who would like to live in the downtown area, and to encourage intensive and coordinated commercial and residential mixed-use development.
  - b) The economic development incentives provided to Grand 7 Partners under the terms of the Amended Agreement will be provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and the obligations of Grand 7 Partners under the Agreement will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the property and surrounding area in accordance with the Metro Center Urban Renewal Plan; (ii) it will advance the goal of providing a range of affordable and market-rate housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area; (iii) it will encourage further private investment and will attract and retain residents and businesses in the Project Area to reverse the pattern of disinvestment; and, (iv) it will further the City's efforts to create and retain job opportunities within the Urban Renewal Area which might otherwise be lost.
  - c) The undertaking by Grand 7 Partners under the Amended Agreement is a speculative venture and will not occur without the economic incentives provided by the Amended Agreement.
  - d) The redevelopment of the property pursuant to the Amended Agreement, and the fulfillment generally of the Amended 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 project has been undertaken, and warrant the provision of the economic assistance set forth in the Amended Agreement.
2. The proposed Conceptual Development Plan for the project by Grand 7 Partners, LLC, is hereby approved.





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3. The *First Amendment to the Urban Renewal Agreement for Sale of Land for Private Redevelopment* between the City and Grand 7 Partners, LLC, is hereby approved.
4. The Mayor is hereby authorized and directed to execute the First Amendment on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on each such document.
5. The City Clerk shall forward a duplicate original or certified copy of the First Amendment and all exhibits thereto to the Office of Economic Development for release to Grand 7 Partners.
6. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Forgivable Economic Development Loan, Economic Development Grant, and Supplemental Economic Development Grant pursuant to Article 4 of the Amended Agreement.
7. The City Manager or his designees are hereby authorized and directed to administer the Amended Agreement on behalf of the City and to monitor compliance by Grand 7 Partners with the terms and conditions of the Amended Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Amended Agreement.

MOVED by Gatto to adopt.

FORM APPROVED:

( Council Communication No. 16- 517 )

Roger K Brown

Roger K. Brown, Assistant City Attorney

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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.

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

MOTION CARRIED

APPROVED

T. M. Franklin Mayor

Diane Rauh City Clerk