

Date May 22, 2017

RESOLUTION APPROVING THIRD AMENDMENT TO THE DEVELOPMENT AGREEMENT WITH WILKINS REDEVELOPMENT, LLC, AS SUCCESSOR TO THE ORIGINAL DEVELOPER, FOR THE HISTORIC RESTORATION OF THE WILKINS BUILDING AT 713 WALNUT STREET

WHEREAS, on December 8, 2014, by Roll Call No. 14-1903, the City Council approved an urban renewal Development Agreement with 713 Walnut, LLC, then owned by The Alexander Company, Inc., represented by Joseph Alexander, whereby 713 Walnut, LLC, agreed to renovate the remaining western half of the former Younkens Building, now known as the Wilkins Building, with approximately 10,000 square feet on the ground floor for commercial use, with approximately 10,000 square feet within and adjoining the former Younkens Tea Room space for banquet and other assembly use, and with 60 residential apartments, all in conformance with the approved Conceptual Development Plan and hereinafter collectively referred to as the "Improvements", and to construct a pedestrian pathway along 7th Street to connect the Skywalk Bridge over 7th Street to the Partnership Building; and,

WHEREAS, 713 Walnut, LLC, subsequently sold and conveyed the Wilkins Building and all the land formerly occupied by the Younkens Building, and assigned all its interest in the Development Agreement, to Blackbird Investments, LLC; and,

WHEREAS, on December 21, 2015, by Roll Call No. 15-2125, the City Council approved the First Amendment to the Development Agreement whereby the City acknowledged and approved the sale to Blackbird Investments, LLC, of the Wilkins Building and all the land formerly occupied by the Younkens Building, and extended the deadline for commencing and completing construction of the Improvements; and,

WHEREAS, on May 23, 2016, by Roll Call No. 16-0855, the City Council approved the Second Amendment to the Development Agreement whereby the City:

- a) Consented to the further transfer by Blackbird Investments, LLC, to Wilkins Development, LLC, of the Wilkins Building, the underlying land and that part of the Development Agreement dealing with the renovation of the Wilkins Building;
- b) Acknowledged that the obligations under the Development Agreement regarding the replacement of the Skywalk Corridors formerly within the Younkens Building remain upon Blackbird Investments, LLC, and are not transferred to Wilkins Development, LLC; and,
- c) Approved an adjustment to the boundary between the Wilkins Building to be conveyed to Wilkins Development, LLC, and the eastern parcel to be retained by Blackbird Investments, LLC; and,

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WHEREAS, the fire damage to the historic Tea Room on the top floor of the Wilkins Building was much greater than expected, causing a delay in the completion of the building renovations and a substantial increase in the renovation costs; and,

WHEREAS, the Office of Economic Development has negotiated a Third Amendment to the Development Agreement with Wilkins Redevelopment, LLC, represented by Justin Doyle, to:

- a) Amend the schedule for the completion of the Tea Room and the other required Improvements to the Property;
- b) Provide for an increase in the amount of the Economic Development Grant to be paid from the incremental tax revenues generated by the historic Tea Room on the top floor and the commercial space on the ground floor of the Wilkins Building; and,
- c) Establish a minimum assessed value for the Tea Room on the top floor and the commercial space on the ground floor of the Wilkins Building by use of a Minimum Assessment Agreement; and,

WHEREAS, a copy of the proposed Third Amendment to Development Agreement is on file and available for 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:

1. The Third Amendment to Development Agreement between the City and Wilkins Redevelopment, LLC, is hereby approved.
2. The Mayor and City Clerk are authorized and directed to execute the Third Amendment to Development Agreement on behalf of the City of Des Moines. The City Clerk is further directed to record the executed Third Amendment.
3. The Mayor and City Clerk are further authorized and directed to execute the Minimum Assessment Agreement in the form of Exhibit "A" to the Development Agreement, on behalf of the City of Des Moines. The City Clerk is further directed to release the Minimum Assessment Agreement to the Legal Department which shall seek to have such agreement approved and signed by the Polk County Assessor and recorded.
4. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant pursuant to Article 5 of the Development Agreement as amended.
5. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement as amended, on behalf of the City, and to monitor compliance

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17-0874

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by the Developer with the terms and conditions of the 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 Agreement.

(Council Communication No. 17- 453)

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	✓			
MOORE	✓			
WESTERGAARD	✓			
TOTAL	7			

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.

MOTION CARRIED 7 APPROVED
T. M. Franklin Cownie Mayor

Diane Rauh City Clerk