



Roll Call Number

17-2004

Agenda Item Number

57-I

Date November 20, 2017

RESOLUTION APPROVING ASSIGNMENT AND ASSUMPTION OF URBAN RENEWAL AGREEMENT WITH MACERICH SOUTHRIDGE MALL LLC, SOUTHRIDGE ADJACENT LLC, AND SOUTHRIDGE APARTMENTS PARTNERS, L.P., TO PERMIT THE SALE OF A PORTION OF THE SOUTHRIDGE MALL FOR A MULTIPLE-FAMILY HOUSING PROJECT; APPROVING A COLLATERAL ASSIGNMENT TO CITIBANK, N.A., FOR CONSTRUCTION FINANCING; AND APPROVING A CONCEPTUAL DEVELOPMENT PLAN FOR SUCH PROJECT

WHEREAS, on May 7, 2012 by Roll Call No. 12-0745, the Des Moines City Council approved an Urban Renewal Development Agreement with Macerich Southridge Mall LLC and Southridge Adjacent LLC (collectively "Macerich"), represented by Scott McMurray, for the redevelopment and repurposing of Southridge Mall at SE 14th Street and E. Army Post Road into a mixed use district for retail, general commercial and residential uses (the "Improvements") in compliance with an approved Conceptual Development Plan; and,

WHEREAS, on June 22, 2015, by Roll Call No. 15-1035, the City Council has approved an Amended and Restated Urban Renewal Development Agreement (the "Development Agreement") with Macerich which restructured the project to provide a separate assignable Economic Development Grant for each phase of the Improvements to the Southridge Mall; and,

WHEREAS, Southridge Apartments Partners, L.P. ("Southridge Partners"), proposes to purchase a parcel (the "Residential Parcel") from Macerich containing approximately 18 acres and located along the southern border of the Southridge Mall campus, for development with approximately 288 housing units in conformance with a proposed Conceptual Development Plan; and,

WHEREAS, Southridge Partners has requested City approval of the proposed Conceptual Development Plan for the development of the Residential Parcel; and of a proposed *Assignment and Assumption of Amended and Restated Urban Renewal Development Agreement* (the "Assignment Agreement") wherein the City consents to: i) the sale of the Residential Parcel to Southridge Partners for redevelopment in conformance with a City approved Conceptual Development Plan; and ii) to the assignment to Southridge Partners of the Economic Development Grant for the Residential Parcel as a separate phase of the Improvements; and,

WHEREAS, Southridge Partners has also requested City approval of a proposed collateral assignment of its interests in the Development Agreement and Assignment Agreement to Citibank, N.A., as additional security for the construction loan for the development of the Residential Parcel, all as provided in the proposed *Assignment of Development Agreement, Pledge and Security Agreement* (the "Collateral Assignment"); and,

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WHEREAS, on November 14, 2017, the members of the Urban Design Review Board reviewed the proposed Conceptual Development Plan for the Residential Parcel and voted 6 to 0 in support of a motion to recommend approval of the proposed Conceptual Development Plan, subject to seeing additional design information on the following:

- Color samples of the proposed architectural materials that also show texture of fiber cement board and sizing of brick to be used.
- Drawings that show critical design details of how the jointing of fiber cement board siding will meet at corners, the roof parapet, soffits, and decorative entrance canopies.
- Color building elevations that demonstrate how the mechanical venting is integrated into the exterior wall.
- Design details showing the north/south pedestrian sidewalk connections to Southridge Mall and DMACC. A focus should be given on providing a pleasant and welcoming pedestrian experience.
- Study providing a continuous pedestrian route and possibly eliminating some parallel parking stalls on the south drive approach to provide better access to green space to the south.
- Work with staff to see how to change the drive approach widths to 22' rather than the current 26', to provide a more conducive pedestrian environment.
- Explore making the landscaping on the south periphery of the parking lot and around the retention basin more naturalized in form rather than lineal. Additionally, study making the shape of the retention basin more naturalized in form.

WHEREAS, in response to the Board's comments, Southridge Partners has agreed to amend the Conceptual Development Plan as set forth in the accompanying letter; and,

WHEREAS, the proposed Conceptual Development Plan, Assignment Agreement, and Collateral Assignment are 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:

1. The proposed Conceptual Development Plan, Assignment Agreement, and Collateral Assignment are hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute the Assignment Agreement and Collateral Assignment on behalf of the City of Des Moines. The City Clerk is further directed to forward the executed documents to the Office of Economic Development for release to Southridge Partners.

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2. Upon issuance of the Certificate of Completion for the development of the Residential Parcel described above and requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the semi-annual installments on the Economic Development Grant attributable to the development of the Residential Parcel, to Southridge Apartments Partners, L.P., as provided in the Assignment Agreement.
3. The City Manager or his designees are hereby authorized and directed to administer the Assignment Agreement on behalf of the City and to monitor compliance by Macerich and Southridge Partners with the terms and conditions of the Development Agreement and the Assignment 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 such agreements.

(Council Communication No. 17- 811)

MOVED by Gatto to adopt and approve, subject to the following changes to the proposed amendments to the Conceptual Development Plan:

1. Eliminate the request to provide pedestrian access to the wooded green space area located south of the project.
2. Eliminate the request to narrow the drive approach widths from 26' to 22'.
3. Provide the two pedestrian connections to Younker's and DMACC, but allow the connections north of the south ring road to consist of paint markings on the existing pavement or something better.

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
McFranklin
Mayor

Diane Rauh
City Clerk