



Roll Call Number

18-1295

Agenda Item Number

56A

Date July 23, 2018

RESOLUTION HOLDING HEARING AND APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH NELSON DEVELOPMENT 1, LLC TO PURCHASE AND DEVELOP CITY-OWNED PROPERTY AT 418 EAST GRAND AVENUE IN THE METRO CENTER URBAN RENEWAL AREA, AND APPROVING CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, on March 20, 2000, by Roll Call Nos. 00-788 and 00-789, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Metro Center Urban Renewal Project, and such Plan has been amended 22 times (the urban renewal plan as so amended is herein referred to as the "Plan"), encompassing an irregularly shaped area that includes the downtown core and the areas surrounding the downtown core; and

WHEREAS, on March 19, 2018, by Roll Call No. 18-0478, the City Council authorized the City Manager to negotiate an urban renewal development agreement based on preliminary terms of agreement with Nelson Development 1, LLC, represented by Michael Nelson (President) ("Developer"), for sale of City-owned property located at the intersections of East 4th Street and East Grand Avenue, locally known as 418 E. Grand Avenue (Polk County Assessor District/Parcel Nos. 040/01839-002-001 and 040/01839-002-002)(collectively "Property") and located in the East Village, for development in two phases consisting of a three-level parking structure with approximately 402 total parking spaces in Phase 1, and a 5-story mixed use building in Phase 2 with approximately 36,000 square feet of commercial, retail and office space on the ground floor and second story, and 105 residential apartment units on the upper three stories; and

WHEREAS, on June 11, 2018, by Roll Call No. 18-1016, the City Council accepted the Developer's proposal and the proposed form of Urban Renewal Agreements for the Phase 1 and Phase 2 Improvements, and exhibits thereto including Special Warranty Deeds, mortgages, promissory notes and Declarations of Covenants, and a Parking Lease Agreement for City use of a portion of the Phase 1 Improvements (all collectively "Development Agreement") in the Metro Center Urban Renewal Area and set a date for a hearing on the Agreement, including the conveyance of the Property to Developer; and

WHEREAS, by Roll Call No. 18-1016, the City Council set July 13, 2018 at 5:00 p.m. for the deadline for other parties to submit competing proposals to redevelop the Property and directed that published notice be given of the urban renewal competitive bid process and the City's intention to accept Nelson Development 1, LLC's proposal in the absence of timely submission of competing proposals, and no competing proposals have been submitted; and

WHEREAS, Roll Call No. 18-1016 further provides that in the event that no qualified competing proposals are received, the City Council intends to approve the sale of the Property to Nelson Development 1, LLC and to authorize execution of the Development Agreement following public hearing on July 23, 2018.

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

- 1. Upon due consideration of the facts, and any and all statements of interested persons and arguments of counsel, any objections to the proposed Development Agreement are hereby overruled, and the hearing is closed.
2. The Development Agreement, as on file in the office of the City Clerk, is hereby approved; the Mayor is authorized and directed to execute the Agreement on behalf of the City of Des Moines and the City Clerk to attest to his signature; and the City Manager or his designee(s) are authorized and directed to monitor compliance by the Developer with said Agreement.
3. The Conceptual Development Plan, which is Exhibit "C" to the Development Agreement, is hereby approved.
4. The sale of the Property, legally described as follows, to Nelson Development 1, LLC for the purchase prices listed below is hereby approved in accordance with the terms of said Agreement; the Mayor is authorized and directed



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to execute all necessary closing documents and Special Warranty Deeds conveying the Property on behalf of the City upon the satisfaction of all conditions to closing contained in said Agreement; and the City Manager or his designee(s) are authorized and directed to proceed to closing on the conveyance in accordance with said Agreement:

Phase 1 – Purchase Price: \$694,473.78

Legal Description (northwest portion of the Property at the intersection of Des Moines Street and E. 4th Street, and northern half of vacated east/west alley adjoining E. 5th Street):

A PART OF LOT 1, AND A PART OF THE VACATED ALLEY LYING SOUTH OF AND ADJACENT TO SAID LOT 1, BLOCK 10, FORT DES MOINES, AN OFFICIAL PLAT IN THE CITY OF DES MOINES, POLK COUNTY, IOWA AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST OF CORNER OF SAID LOT 1; THENCE SOUTH 74°47'22" WEST ALONG THE SOUTH RIGHT-OF-WAY LINE OF DES MOINES STREET, 179.67 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 15°13'14" EAST, 152.33 FEET; THENCE SOUTH 74°49'57" WEST, 21.75 FEET; THENCE NORTH 15°01'35" WEST, 10.00 FEET; THENCE SOUTH 74°49'57" WEST, 138.20 FEET TO THE EAST RIGHT-OF-WAY LINE OF E 4TH STREET; THENCE NORTH 15°17'24" WEST ALONG SAID EAST RIGHT-OF-WAY, 142.21 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF DES MOINES STREET; THENCE NORTH 74°47'22" EAST ALONG SAID SOUTH RIGHT-OF-WAY LINE, 160.09 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.53 ACRES (22,981 S.F.).

AND

A PART OF THE VACATED ALLEY LYING SOUTH OF AND ADJACENT TO LOT 1, BLOCK 10, EAST FORT DES MOINES, AN OFFICIAL PLAT IN THE CITY OF DES MOINES, POLK COUNTY, IOWA AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST OF CORNER OF LOT 1 OF SAID BLOCK 10, EAST FORT DES MOINES; THENCE SOUTH 15°20'33" EAST ALONG THE WEST RIGHT-OF-WAY OF E 5TH STREET, 9.06 FEET; THENCE SOUTH 74°48'52" WEST, 180.01 FEET; THENCE NORTH 15°13'14" WEST, 9.13 FEET TO THE NORTH LINE OF SAID VACATED ALLEY; THENCE NORTH 74°50'22" EAST ALONG SAID NORTH LINE, 179.99 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.04 ACRES (1,637 S.F.).

Phase 2 – Purchase Price: \$837,018.91

Legal Description (418 E. Grand Ave. -- southwest portion of property at intersection of E. Grand Avenue and E. 4th Street, and southern half of vacated east/west alley adjoining E. 5th Street):

A PART OF LOTS 1, 3, 4, 5, AND A PART OF THE VACATED ALLEY LYING SOUTH OF AND ADJACENT TO SAID LOT 1, ALL IN BLOCK 10, EAST FORT DES MOINES, AN OFFICIAL PLAT IN THE CITY OF DES MOINES, POLK COUNTY, IOWA AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST OF CORNER OF SAID LOT 5; THENCE SOUTH 74°49'57" WEST ALONG THE NORTH RIGHT-OF-WAY LINE OF E GRAND AVENUE, 159.70 FEET TO THE EAST RIGHT-OF-WAY LINE OF E 4TH STREET; THENCE NORTH 15°17'24" WEST ALONG SAID EAST RIGHT-OF-WAY LINE, 177.00 FEET; THENCE NORTH 74°49'57" EAST, 138.20 FEET; THENCE SOUTH 15°01'35" EAST, 10.00 FEET; THENCE NORTH 74°49'57" EAST, 21.75 FEET; THENCE SOUTH 15°13'14" EAST, 167.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.64 ACRES (28,068 S.F.).



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AND

A PART OF THE VACATED ALLEY LYING NORTH OF AND ADJACENT TO LOTS 6-8, BLOCK 10, EAST FORT DES MOINES, AN OFFICIAL PLAT IN THE CITY OF DES MOINES, POLK COUNTY, IOWA AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST OF CORNER OF LOT 8 OF SAID BLOCK 10, EAST FORT DES MOINES; THENCE SOUTH 74°50'22" WEST ALONG THE SOUTH LINE OF SAID VACATED ALLEY, 180.03 FEET; THENCE NORTH 15°13'14" WEST, 8.87 FEET; THENCE NORTH 74°48'52" EAST, 180.01 FEET TO THE WEST RIGHT-OF-WAY LINE OF E 5TH STREET; THENCE SOUTH 15°20'33" EAST ALONG SAID EAST RIGHT-OF-WAY LINE, 8.94 FEET TO THE POINT OF BEGINNING AND CONTAINING 0.04 ACRES (1,603 S.F.).

(Council Comm. No. 18-319)

MOVED BY Gatto to adopt.

FORM APPROVED:

Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
WESTERGAARD	✓			
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