



Roll Call Number

19-1123

Agenda Item Number

49

Date July 15, 2019

APPROVAL OF THE ADVANCE OF FUNDS TO THE METRO CENTER URBAN RENEWAL PROJECT FOR THE PAYMENT OF THE PHASE 2 SECONDARY GRANT TO 101 EAST GRAND PARKING, LLC, FOR THE NEW MIXED-USE BUILDING AT 111 EAST GRAND AVENUE

WHEREAS, on April 11, 2016, by Roll Call No. 16-0634, the City Council approved an Urban Renewal Agreement for Sale of Land for Private Redevelopment (the "Original Agreement") with 101 East Grand Parking, LLC (the "Developer"), represented by Paul Hayes, President, which provided for the sale by City to the Developer of portions of the block east of the Des Moines City Hall for redevelopment with a parking garage fronting E. 2nd Street in the middle of the block to be re-acquired by City under a lease purchase agreement, and with separate 4-story mixed-use buildings on the parcels north and south of the parking garage; and,

WHEREAS, on April 23, 2018, by Roll Call No.18- 0702, the City Council approved a First Amendment and Partial Assignment of Urban Renewal Agreement for Sale of Land for Private Redevelopment (the "First Amendment") with the Developer and with 111 East Grand, LLC, represented by Tim Rypma, Vice President, whereby 111 East Grand, LLC, agreed to acquire the parcel at 111 E. Grand Avenue, immediately north of the East Second Parking Garage, and to redevelop such parcel with a 4-story building with at least 75% of the ground floor devoted to retail, restaurant, and limited professional office use and the upper floors devoted to office use, in substantial conformance with the approved Conceptual Development Plan (collectively the "Project"); and,

WHEREAS, on June 24, 2019, by Roll Call No. 19-1003, the City Council approved the issuance of a Certificate of Completion acknowledging the satisfactory completion of the Project in substantial conformance with the Original Agreement as amended, and with the approved Conceptual Development Plan; and,

WHEREAS, Section 4.4A of the Original Agreement as amended, provides that City shall pay to Developer a Phase 2 Secondary Economic Development Grant (the "Phase 2 Secondary Grant") in the amount of \$64,000 promptly upon completion of the Project; and,

WHEREAS, the City Manager recommends that the City advance funds in the amount of \$64,000 for timely payment of the Phase 2 Secondary Grant, with such advance to be reimbursed from the Special Fund for the Metro Center Urban Renewal Project Area in FY2020/21.

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

1. The City Council hereby makes the following findings:
 - a) Pursuant to Ordinance No. 15,554 there has been established a special tax increment fund for the Metro Center Urban Renewal Area (the "Tax Increment Fund"), into which



Roll Call Number

19-1123

Agenda Item Number

49

-2-

Date July 15, 2019

- all incremental taxes from the Metro Center Urban Renewal Area, as amended, are deposited.
 - b) The Phase 2 Secondary Grant for the Project is identified in the Metro Center Urban Renewal Plan as an obligation eligible for payment from the Tax Increment Fund, subject to the certification of the obligation to the Polk County Auditor pursuant to Iowa Code §403.19, which certification will be made by December 1, 2019, for payment in FY2020/21.
 - c) The immediate advance of \$64,000 from another source is necessary to fund the timely payment of the Phase 2 Secondary Grant to 101 East Grand Parking, LLC.
2. It is hereby directed that the sum of \$64,000 be advanced from FN001100-528190, a sub-fund of the City general fund, for payment of the Phase 2 Secondary Grant to the Developer. The advance shall be treated as an internal loan and shall be repaid from the Tax Increment Fund with respect to the Metro Center Urban Renewal Area, as those funds become available.
 3. Certification for reimbursement of the advance under Iowa Code §403.19 shall be made by the City Council on or before December 1, 2019.

MOVED by Gatto to adopt.

FORM APPROVED:

By: Roger K. Brown

Roger K. Brown, Assistant City Attorney

G:\APPDATA\LEGAL\Urban-Renewal\Metro\Projects\City Hall Parking\Phase 2\RC 19-07-15 Advance funds.docx

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
WESTERGAARD	✓			
TOTAL	7			
MOTION CARRIED		APPROVED		

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.

J. M. Franklin Cownie Mayor

Diane Rauh City Clerk