



Roll Call Number

19-1836

Agenda Item Number

33 ✓

Date November 18, 2019

APPROVAL OF THE ADVANCE OF FUNDS TO THE METRO CENTER URBAN RENEWAL PROJECT FOR THE PAYMENT OF INSTALLMENTS ON THE ECONOMIC DEVELOPMENT GRANT TO 7&GRAND RAMP DEVELOPER, LLC

WHEREAS, on April 11, 2016, by Roll Call No. 16-0630, the City Council approved an *Urban Renewal Agreement for Sale of Land for Private Redevelopment* (the "Original Agreement") with 7&Grand Ramp Developer, LLC ("7&Grand"), a development entity created by Principal Financial Group, Inc. whereby 7&Grand purchased the City-owned block at 701 Grand Avenue for redevelopment with a six-level parking garage (the "Agreement"); and,

WHEREAS, on August 20, 2018, by Roll Call No. 18-1412, the City Council approved the issuance of a Certificate of Completion acknowledging the satisfactory completion of the Project in substantial conformance with the Agreement as amended, and with the approved Conceptual Development Plan; and,

WHEREAS, Section 4.2 of the Agreement, provides that City shall pay to 7&Grand, a grant payable in six (6) semi-annual installments payable each December 1st and May 1st in an amount of the applicable percentage of the project TIF (the "Grant"); and,

WHEREAS, the City Manager recommends that the City advance funds in an amount not to exceed \$350,000 for timely payment of installments due on December 1, 2019 and May 1, 2020, 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 all incremental taxes from the Metro Center Urban Renewal Area, as amended, are deposited.
 - b) The 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 an amount not to exceed \$350,000 from another source is necessary to fund the timely payment of Grant to 7&Grand.



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- 2. It is hereby directed that a sum not to exceed \$350,000 be advanced from FN001100-528190, a sub-fund of the City general fund, for payment of the Grant to 7&Grand Ramp Developer, LLC. 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.

(Council Communication No. 19- 504)

MOVED by Boesen to adopt.

FORM APPROVED:

By: Roger K Brown

Roger K. Brown, Assistant City Attorney

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| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | ✓ | | | |
| BOESEN | ✓ | | | |
| COLEMAN | ✓ | | | |
| GATTO | ✓ | | | |
| GRAY | ✓ | | | |
| MANDELBAUM | ✓ | | | |
| WESTERGAARD | ✓ | | | |
| TOTAL | 7 | | | |

MOTION CARRIED APPROVED

J. M. Frankhu Cownie Mayor

CERTIFICATE

I, P. Kay Cmelik, 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.

P. Kay Cmelik City Clerk