



Roll Call Number

19-2015

Agenda Item Number

30

Date December 16, 2019

RESOLUTION APPROVING SECOND AMENDED AND RESTATED PARCEL DEVELOPMENT AGREEMENT WITH GRAY'S LANDING OFFICE LLC AND REDEVELOPMENT PLAN FOR CONSTRUCTION OF AN OFFICE BUILDING IN GRAY'S LANDING, AND ACKNOWLEDGING AMOUNT OF PARCEL GRANT ALLOCATED TO THE PROJECT

WHEREAS, the City of Des Moines and River Point West LLC (the "Master Developer") are parties to the *Third Amended and Restated Urban Renewal Development Agreement* (the "Master Agreement") approved by the Des Moines City Council on September 9, 2019, by Roll Call No. 19-1409, regarding the acquisition, clearance, installation of public infrastructure, and the preparation and sale of 'pad-ready' sites by the Master Developer within an area designated as the Existing Redevelopment Area and now known as the Gray's Landing Project; and,

WHEREAS, the Master Agreement requires that any buyer of a parcel of land from the Master Developer enter into a Parcel Development Agreement with the City whereby the buyer agrees to promptly redevelop the parcel in conformance with a Redevelopment Plan approved by the City and having a minimum assessed value consistent with the approved Conceptual Development Plan under the Master Agreement; and,

WHEREAS the Master Agreement further provides for the City to fund Parcel Grants in an aggregate amount not to exceed \$2.8 million, to be allocated to individual redevelopment projects within the Gray's Landing Project by the Master Developer and funded by the City from a portion of the incremental tax revenue generated by each such project; and,

WHEREAS, the City Manager has negotiated a Second Amended and Restated Parcel Development Agreement (the "Parcel Development Agreement") with Gray's Landing Office LLC (the "Parcel Developer"), for the construction of a 3-story building to be located at the southwest corner of the intersection of Martin Luther King Jr. Parkway and SW 11th Street and containing at least 68,000 square feet of finished interior floor area for office use, 4,500 square feet of finished interior floor area for restaurant use, with 211 off-street parking spaces and with landscaping and streetscape enhancements, all as more specifically shown by the proposed Redevelopment Plan and having a minimum assessed value of \$6,300,000; and,

WHEREAS, the Parcel Development Agreement also memorializes the Developer's allocation of \$984,430 of the \$2.8 million allowed for Parcel Grants, to fund a Parcel Grant for this project, and the City's further agreement that the amount of each semi-annual installment on such Parcel Grant shall be equal to one-half of 45% percent of the incremental tax revenue generated by the project (a decrease from the 50% established in the Master Agreement), until the earlier of: 1) the Parcel Grant is paid in full; or 2) the City has paid the installments due in FY2035/36.

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WHEREAS, the Urban Design Review Board reviewed the design of the proposed facility on October 21, 2014, and voted 8-0 in favor of a motion to recommend approval of the proposed Redevelopment Plan, subject to conditions now incorporated into the PUD Conceptual Development Plan for the project required by the applicable zoning regulations, which was approved by the City Council on December 2, 2019, by Roll Call No. 19-1953.

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

1. The proposed Parcel Development Agreement with Gray's Landing Office LLC, for the construction of a 3-story building for office/commercial use at the southwest corner of the intersection of Martin Luther King Jr. Parkway and SW 11th Street is hereby approved.

2. The Mayor and City Clerk are hereby authorized and directed to execute the Parcel Development Agreement on behalf of the City. The City Clerk is further directed to forward a duplicate original or certified copy of the Agreement to the Legal Department for recording at closing on the Parcel Developer's purchase of the development site.

3. The PUD Conceptual Development Plan for the project approved by the City Council on December 2, 2019, by Roll Call No. 19-1953, is hereby further approved as the Redevelopment Plan required by the Parcel Development Agreement.

4. Upon receipt of the Minimum Assessment Agreement in the form required by the Second Amended and Restated Parcel Development Agreement and approval of the same by the City Legal Department, the Mayor and City Clerk are hereby authorized and directed to execute such Minimum Assessment Agreement on behalf of the City. The Legal Department shall then cause the Minimum Assessment Agreement to be forwarded to the Polk County Assessor for the Assessor's approval and execution, and to be timely recorded.

5. The City Manager is hereby authorized and directed to administer the Parcel Development Agreement in accordance with its terms. The City Manager is hereby further authorized and directed to sign the *Consent to Sale* in form approved by the City Legal Department upon satisfaction of the conditions for the issuance of such consent set forth in the Parcel Development Agreement.

6. The Finance Department is hereby authorized and directed to pay the installments on the Parcel Grant as provided by the Parcel Development Agreement, upon requisition by the Office of Economic Development confirming that Developer has qualified for the payment of each such installment.



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7. The Economic Development Director or the Directors designee is directed to submit a copy of the fully executed Parcel Development Agreement to the Finance Department to enable the Finance Director to make any appropriate disclosure filings in accordance with the City's adopted revised Disclosure Policy.

(Council Communication No. 19- 537)

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 | ✓ | | | |
| BOESEN | ✓ | | | |
| COLEMAN | ✓ | | | |
| GATTO | ✓ | | | |
| GRAY | ✓ | | | |
| MANDELBAUM | ✓ | | | |
| WESTERGAARD | ✓ | | | |
| TOTAL | 7 | | | |

MOTION CARRIED

APPROVED

J. M. Frankha Cowie 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