



Roll Call Number

20-0757

Agenda Item Number

29

Date May 4, 2020

RESOLUTION APPROVING FINAL TERMS FOR AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH NELSON DEVELOPMENT FOR THE CONSTRUCTION OF A MIXED USE BUILDING LOCATED ON THE SOUTHWEST CORNER OF 26TH STREET AND UNIVERSITY AVENUE, ACROSS FROM DRAKE UNIVERSITY

WHEREAS, on February 24, 2020, in Roll Call number 20-0345, the City Council approved a resolution authorizing the City Manager to negotiate an agreement with Drake Multifamily LLC (Alexander Grgurich, Nelson Development, 218 6th Avenue, Suite 200, Des Moines, IA 50309) to construct an approximately 83,000-square-foot, 4-story mixed use building on property located at the southeast corner of 26th Street and University Avenue, across from Drake University; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with Drake Multifamily LLC (the "Developer") whereby the Developer has agreed to construct the building; and,

WHEREAS, the proposed Agreement and Conceptual Development Plan are on file and available for inspection in the office of the City Clerk; and,

WHEREAS, the Developer has provided the Office of Economic Development with a financial analysis of the project and seeks a financial assistance package to be provided from project generated tax increment as more specifically described in the accompanying Council Communication; and,

WHEREAS, the Developer seeks reimbursement for the commercial area of the building (exclusive of land) to receive 100% of the project-generated tax increment for 15 years; and 70% for years 16 and 17 and for Low-Moderate Income portion of the multi-family project, 40% of the multi-family project-generated TIF in year 9, 60% of the project-generated TIF in year 10, 100% of the project-generated TIF in years 11 through 15; and 70% of project-generated TIF in years 16 and 17.

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 in support of the proposed Agreement with the Developer:
 - a) The Developer's obligations to construct the Improvements as provided by the Agreement furthers the objectives of the Urban Renewal Plan to provide additional housing, employment opportunities and tax base in the Drake Urban Renewal Project



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Area, and to preserve and create an environment which will protect the health, safety and general welfare of City residents.

- b) The economic development incentives for the creation of the employment opportunities and development of the Improvements are provided by the City to Developer pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under this Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Drake Urban Renewal Area in accordance with the Urban Renewal Plan; and (ii) it will further the City's efforts to retain and create job opportunities within the Urban Renewal Area which might otherwise be lost.
 - c) The construction of the Improvements is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by this Agreement.
 - d) The City Council believes that the redevelopment of the Property pursuant to the Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
2. The Conceptual Development Plan for the project, which is contained in the Agreement, is hereby approved.
 3. The Urban Renewal Development Agreement between the City and Drake Multifamily LLC, is hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
 4. The Economic Development Director or the Director's designee is directed to submit a copy of the fully executed 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.
 5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant pursuant to Article 4 of the Agreement.

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- 6. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement on behalf of the City, including the filing of the Agreement, and to monitor compliance by the Developer with the terms and conditions of the 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 the Agreement.

MOVED by Gatto to adopt.

(Council Communication No. 20- 199)

FORM APPROVED:

/s/ Thomas G. Fisher Jr.
Thomas G. Fisher Jr.

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

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.

MOTION CARRIED APPROVED
J. M. Franklin Cownie Mayor

P. Kay Cmelik City Clerk