



Date June 8, 2020

RESOLUTION APPROVING FINAL TERMS FOR AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH LAWMARK, LP, FOR RENOVATION OF THE FINANCIAL CENTER BUILDING LOCATED AT 207 7th STREET CONVERTING FLOORS 1-13 TO A FULL SERVICE, 190-ROOM HOTEL

WHEREAS, on March 23, 2020, in Roll Call number 20-0554, the City Council approved a resolution authorizing the City Manager to negotiate an agreement with Lawmark, LP (Mark Buleziuk, 666 Walnut Street, Suite 1540, Des Moines, IA 50309) (the "Developer") to renovate the Financial Center Building located at 207 7th Street and convert floors one through thirteen of the building to a full-service, upscale hotel with approximately 190-rooms (the "Improvements"); and,

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

WHEREAS, the Developer seeks reimbursement from the taxable building valuations (exclusive of land) in years 1-15, starting at 90% in years 1-5, 85% in years 6-10, and 75% in years 11-15, capped at a maximum of \$7.5 million net present value. The assistance is estimated at 12.7% of total project costs; 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 Urban Design Review Board at its regularly scheduled meeting On June 2, 2020, voted to recommend approval of the financial assistance package by a vote of 7-0 and to recommend approval of the project design by a vote of 8-0.

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



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housing, employment opportunities and tax base in the Metro Center Urban Renewal Project 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 Metro Center Urban Renewal Area in accordance with the Urban Renewal Plan; (ii) it will encourage further private investment to reverse the pattern of disinvestment and declining property values in the surrounding area; and, (iii) 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 Lawmark, LP, 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- 245 )

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			

MOTION CARRIED APPROVED

T. M. Franklin 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