



**Roll Call Number**

21-1846

**Agenda Item Number**

54

**Date** December 6, 2021

**RESOLUTION HOLDING HEARING AND APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH DES MOINES CLIMATE CONTROLLED SELF STORAGE, LLC (MARK BOCKENSTEDT) TO DEVELOP CITY-OWNED PROPERTY IN THE VICINITY OF 503 SOUTHEAST 12TH STREET IN THE METRO CENTER URBAN RENEWAL AREA, AND APPROVING CONCEPTUAL DEVELOPMENT PLAN**

**WHEREAS**, on March 20, 2000, by Roll Call Nos. 00-788 and 00-789, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Metro Center Urban Renewal Project, and such Plan has been amended 29 times (the urban renewal plan as so amended is herein referred to as the “Plan”), encompassing an irregularly shaped area that includes the downtown core and the areas surrounding the downtown core; and

**WHEREAS**, on June 28, 2021, by Roll Call No. 21-0980, the City Council authorized the City Manager to negotiate an urban renewal development agreement based on preliminary terms of agreement with Des Moines Climate Controlled Self Storage, LLC, represented by Mark Bockenstedt, owner (“Developer”), for redevelopment of real property locally known as 503 Southeast 12<sup>th</sup> Street with construction of a four-story indoor climate-controlled storage facility (“Phase 1 Improvements”) in the Metro Center Urban Renewal Area, on property that is at a highly visible location along East Martin Luther King, Jr. Parkway and near the Market District redevelopment area; and

**WHEREAS**, said project may include a second four-story indoor climate-controlled storage facility at the site (“Phase 2 Improvements”), at an estimated total project cost for both Phases of \$15,500,000.00; and

**WHEREAS**, said terms of agreement include anticipated construction of the Phase 1 Improvements to commence in spring 2022 and completion in spring 2024, and, if applicable, the Phase 2 Improvements commenced in fall 2027 and completed by summer 2029, in exchange for economic development assistance of up to \$1,200,000.00 total for completion of both project Phases, and the purchase of City-owned property, as follows:

1. Phase 1 Economic Development Grant, subject to and upon completion of the Phase 1 Improvements, in an amount not to exceed \$900,000.00 (net present value at a 4.5% discount rate; \$1,116,000.00 on a cash basis), to be paid in project years 1-10 in up to 20 semi-annual installments, providing seventy-five percent (75%) of project generated tax increment (TIF) funding on the Phase 1 Improvements;
2. Phase 2 Economic Development Grant, subject to and upon completion of the Phase 2 Improvements, in an amount not to exceed \$300,000.00 (net present value at a 4.5% discount rate; \$348,000.00 on a cash basis), estimated to be paid in project years 7-10 in semi-annual installments, providing seventy-five percent (75%) of project generated tax increment (TIF) funding on the Phase 2 Improvements; and
3. Sale by City to Developer of a 62,259 square-foot City-owned vacant parcel (herein “City-owned property”) adjoining, and for assemblage with, the development site owned by Developer, for the purchase price of \$520,000.00, which amount represents fair market value as recently appraised, subject to closing credit(s) in the amounts of (1) \$100,000 for Developer’s relocation of an existing privately-owned Verizon Wireless fiber line, as documented in bid provided by Verizon Wireless, (2) \$82,000 for Developer’s undergrounding of the entirety of the overhead north-south utility line(s) from and between East Martin Luther King, Jr. Parkway and Scott Avenue over the project site and adjoining City-owned property, as documented by the construction estimates provided, and (3) up to \$138,000 for Developer’s



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soil replacement and compaction on the City-owned property to prepare the property for development, as documented in the bid estimate provided; and

WHEREAS, on November 1, 2021, by Roll Call No. 21-1663, the City Council accepted an updated proposal from the Developer and the proposed form of Urban Renewal Development Agreement for the Improvements containing the above-stated terms, and exhibits thereto including Declaration of Covenants and Quit Claim Deed, in form on file in the office of the City Clerk, and set a date for a hearing on the Agreement, including the conveyance of the City-owned property to Developer; and

WHEREAS, by Roll Call No. 21-1663, the City Council set November 24, 2021 at 5:00 p.m. for the deadline for other parties to submit competing proposals to redevelop the City-owned property and directed that published notice be given of the urban renewal competitive bid process and the City's intention to accept Des Moines Climate Controlled Self Storage, LLC's proposal in the absence of timely submission of competing proposals, and no competing proposals have been submitted; and

WHEREAS, Roll Call No. 21-1663 further provides that in the event that no qualified competing proposals are received, the City Council intends to approve the sale of the City-owned property to Des Moines Climate Controlled Self Storage, LLC and to authorize execution of the Development Agreement following public hearing on December 6, 2021 at 5:00 pm in the Council Chambers; and

WHEREAS, on September 21, 2021, a consensus of the members present of the Urban Design Review Board voted to recommend approval of the final design and financial assistance for the Improvements, which design is included in the Conceptual Development Plan, attached as Exhibit "C" to the Development Agreement and on file in the office of the City Clerk.

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

1. Upon due consideration of the facts, and any and all statements of interested persons and arguments of counsel, any objections to the proposed Development Agreement are hereby overruled, and the hearing is closed.
2. The Development Agreement, as on file in the office of the City Clerk, is hereby approved; the Mayor is authorized and directed to execute the Agreement on behalf of the City of Des Moines and the City Clerk to attest to his signature; the City Clerk is directed to execute acceptance of the Declaration of Covenants on behalf of the City; and the City Manager or his designee(s) are authorized and directed to monitor compliance by the Developer with said Agreement.
3. The Conceptual Development Plan, which is Exhibit "C" to the Development Agreement, is hereby approved.
4. The sale of the City-owned property, legally described as follows, to Des Moines Climate Controlled Self Storage, LLC, for the purchase price and subject to the credits stated above, is hereby approved in accordance with the terms of said Agreement; the Mayor is authorized and directed to execute all necessary closing documents and Quit Claim Deed conveying the Property on behalf of the City upon the satisfaction of all conditions to closing contained in said Agreement; and the City Manager or his designee(s) are authorized and directed to proceed to closing on the conveyance in accordance with said Agreement:

A PARCEL OF LAND IN PARCEL 2019-34, AN OFFICIAL PARCEL RECORDED IN BOOK 18580, PAGE 467 AT THE POLK COUNTY RECORDER'S OFFICE, CITY OF



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DES MOINES, POLK COUNTY, IOWA AND PARCEL 'A' AN OFFICIAL PARCEL RECORDED IN BOOK 15781, PAGE 375 AT THE POLK COUNTY RECORDER'S OFFICE, CITY OF DES MOINES, POLK COUNTY, IOWA AND LOTS 1, 2, 3, 4, 6, 7, 8, 9, 10, 11, & ALLEY, BLOCK 13, ALLEN'S SECOND ADDITION TO THE CITY OF DES MOINES, AN OFFICIAL PLAT RECORDED IN BOOK 'B', PAGE 50 AT THE POLK COUNTY RECORDER'S OFFICE, CITY OF DES MOINES, POLK COUNTY, IOWA THAT IS MORE PARTICULARLY DESCRIBED AS FOLLOWS: PARCEL 2019-34, AN OFFICIAL PARCEL RECORDED IN BOOK 18580, PAGE 467 AT THE POLK COUNTY RECORDER'S OFFICE, CITY OF DES MOINES, POLK COUNTY, IOWA AND ALL THAT PART OF LOT 3 LYING SOUTH OF SAID PARCEL 2019-34 AND THE NORTH 12.43 FEET OF SAID LOT 4 AND ALL THAT PART OF THE VACATED SE 11 STREET LYING DIRECT EAST OF AND PARALLEL WITH TH STREET LYING DIRECT EAST OF AND PARALLEL WITH THE WEST LINE OF SAID PARCEL 2019-34 AND BEING ADJACENT TO THE WEST LINE OF SAID LOT 3 AND THE NORTH 12.43 FEET OF SAID LOT 4, THE SOUTH LINE COINCIDES WITH THE SOUTH LINE OF SAID NORTH 12.43 FEET OF SAID LOT 4 AND LOTS 6, 7, & THE SOUTH 8.00 FEET OF LOT 8 AND ALL THAT PART OF THE ALLEY IN SAID BLOCK 13 LYING SOUTH OF THE SAID PARCEL 2019-34 EXCEPTING THEREFROM THE EAST 8.00 FEET LYING SOUTH OF THE NORTH 12.43 FEET OF SAID LOT 4 BEING DIRECTLY ADJACENT TO SAID LOTS 4 & 5.

(Council Comm. No. 21-527)

MOVED BY Gatto to adopt.

FORM APPROVED:

/s/ Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, and TOTAL (7 yeas).

MOTION CARRIED APPROVED
J. 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