



Roll Call Number

15-0924

Agenda Item Number

32

Date June 8, 2015

RESOLUTION APPROVING AMENDED AND RESTATED URBAN RENEWAL DEVELOPMENT AGREEMENT WITH R & T LOFTS, L.P., FOR THE REDEVELOPMENT OF THE FORMER DES MOINES REGISTER BUILDINGS AT 717 LOCUST STREET AND 421 8TH STREET, AND APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, on November 17, 2014, by Roll Call No. 14-1778, the City Council approved an Urban Renewal Development Agreement (the "Original Agreement") with R & T Lofts, L. P. (the "Developer"), represented by Louis A. (Tony) Knoble, whereby the Developer has agreed to redevelop and rehabilitate the former Des Moines Register buildings by undertaking the following Improvements at an total estimated project cost of over \$35 million:

- Renovation of the basement and first floor of the buildings for commercial uses;
- Renovation of the second floor (skywalk level) of the buildings for commercial and/or residential uses;
- Renovation of the remainder of the floors of the buildings for residential use, including a variety of types of housing units ranging from studio units (550 square feet) to two-bedroom units (950 square feet);
- Maintenance and upgrading of the skywalk access and corridor within the buildings, including: (a) creation of an open, rather than enclosed, connection between the ground floor lobby and the skywalk lobby using the existing historic stairs, insofar as said connection is consistent with local Fire Code regulations; (b) provision of special lighting on the Locust Street building frontage to identify the availability of a skywalk access point, which lighting shall be in a form consistent with the *Skywalk System Improvement Study*; and (c) improvements to the skywalk entrance from the north-south Skywalk Bridge into the buildings on the Property;

all in substantial conformance with the proposed Conceptual Development Plan with the necessary adjustments to conform with the last bullet point above regarding access to the Skywalk System; and,

WHEREAS, the Original Agreement further provided that in consideration of the undertakings by the Developer, the City shall provide an economic development grant payable in 20 semi-annual installments in the amount of \$185,000.00; and

WHEREAS, due to challenges in obtaining all the necessary financing: a) the Developer is no longer using Low Income Housing Tax Credits - allowing all the residential units to be market rate; b) the timeline for commencing construction has been delayed by three months to July 1, 2015, and, c) it is likely that the completion of the project may be delayed by several months; and,

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WHEREAS, the Developer has requested that the Original Agreement be amended to delay the deadlines for commencement and completion of construction, and to remove all references to the project containing affordable housing units, all as set forth in the Amended and Restated Urban Renewal Development Agreement (the "Amended Agreement") now on file and available for inspection in the office of the City Clerk; and

WHEREAS, at its meeting on October 21, 2014, the members of the Urban Design Review Board voted 9-0 in support of a motion to recommend approval of the level of financial assistance provided by the Original Agreement and Amended Agreement, and thereafter on November 4, 2014, the members of the Urban Design Review Board voted 8-0 in support of a motion to recommend approval of the final project design as reflected in the proposed Conceptual Development Plan, subject to the necessary adjustments to conform with the last bullet point identified above regarding access to the Skywalk System.

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

1. The City Council hereby makes the following findings in support of the proposed Amended Agreement with the Developer, R & T Lofts, L.P.:
 - a) The economic development incentives for the redevelopment of the Property by the construction 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 the Amended Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will restore vacant and blighted buildings to productive use; (ii) it will advance the improvement and redevelopment of the Metro Center Urban Renewal Project Area in accordance with the Metro Center Urban Renewal Plan; (iii) it will encourage further private investment to reverse the pattern of disinvestment and declining property values in the surrounding area; (iv) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost; and (v) it will create an environment which will protect the health, safety and general welfare of City residents.
 - b) The construction of the Improvements is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the Amended Agreement; and
 - c) The redevelopment of the Property pursuant to the Amended Agreement, and the fulfillment generally of the Amended 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



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requirements under which the project has been undertaken, and warrant the provision of the economic assistance set forth in the Amended Agreement.

2. The Conceptual Development Plan, which is Exhibit "B" to the Amended Agreement, is hereby approved, subject to the necessary adjustments to conform with the last bullet point identified above regarding access to the skywalk system.
3. The Amended Agreement between the City and the Developer is hereby approved.
4. The Mayor and City Clerk and hereby authorized and directed to execute the Amended Agreement on behalf of the City of Des Moines.
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 Amended Agreement.
6. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement on behalf of the City 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.

(Council Communication No. 15- 285)

MOVED by Hensley to adopt.

APPROVED AS TO FORM:

Roger K. Brown
Roger K. Brown, Assistant City Attorney

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| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | ✓ | | | |
| COLEMAN | ✓ | | | |
| GATTO | ✓ | | | |
| GRAY | ✓ | | | |
| HENSLEY | ✓ | | | |
| MAHAFFEY | ✓ | | | |
| MOORE | ✓ | | | |
| TOTAL | 7 | | | |

CERTIFICATE

I, DIANE RAUH, 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
T. M. Franklin Mayor

Diane Rauh City Clerk