


## COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>23-206</b>	Meeting:	<b>April 24, 2023</b>
	Agenda Item:	<b>32</b>	Roll Call:	<b>23-0592</b>
	Submitted by:	<b>Matthew A. Anderson, Deputy City Manager</b>		

### AGENDA HEADING:

Resolution Approving Fourth Amendment to Amended and Restated Urban Renewal Agreement for Sale of Land Private Redevelopment by and between City of Des Moines, Iowa and Miesblock Commercial, LLC.

### SYNOPSIS:

Recommend approval of an Amendment to the Urban Renewal Development Agreement for a mixed-use project at 665 Grand Avenue with Miesblock Commercial, LLC (Michael K. Nelson, Manager, 218 6th Avenue, Suite 200, Des Moines, Iowa, 50309). This Fourth Amendment to the Amended and Restated Development Agreement strikes the Developer's obligations and the City's incentive commitments for Phase Three Improvements of the project.

### FISCAL IMPACT:

The Fourth Amendment eliminates the fifth installment due to the Developer on the Base Economic Development Grant of \$750,000, which was to be paid upon completion of the Phase 3 Improvements; eliminates the Phase 3 Economic Development Grant which included a declining scale of project generated tax increment from the Phase 3 Improvements commencing in year nine (9) and year 10 at 100%, years 11 and 12 at 90%, years 13 through 16 at 80%, and years 17 through 20 at 70%; and removes the Phase 3 Improvements requirements under the forgiveness provisions of the \$1 million forgivable predevelopment loan, which was originally advanced to the Developer on April 20, 2016.

### ADDITIONAL INFORMATION:

- The Development Agreement, originally executed in 2017, contains three development phases including: Phase 1: Skywalk Node; Phase 2: Commercial Building; and Phase 3: Apartment Building. The Phase 1 Skywalk Node and Phase 2 Commercial Building were both completed in accordance with the terms of the Third Amended and Restated Development Agreement. At this time, the development team is unable to undertake the Phase 3 Apartment Building improvements, which was to include a minimum of six (6) floors and 75 market rate units at the 7th Street and High Street frontages. Both city staff and the Developer acknowledge assumptions and conditions have changed significantly since the initial project was proposed and the financial gap analysis was conducted. The development team plans to reengage with the Office of Economic Development when they are prepared to bring a new redevelopment proposal for the remaining portion of the site forward.

**PREVIOUS COUNCIL ACTION(S):**

Date: December 20, 2021

Roll Call Number: [21-1924](#)

Action: [Third](#) Amendment to Amended and Restated Urban Renewal Agreement for sale of land for Private Redevelopment and Amended Declaration of Covenants with Miesblock Commercial, LLC (Michael K. Nelson). ([Council Communication No. 21-564](#)) Moved by Boesen to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: December 12, 2017

Resolution Number: N/A

Action: Recommend final approval of the design with the condition that the Developer continue to work with staff and the Diocese to work out the curb dimensions and the easements required on the north drive approach entry on High Street.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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