


# COUNCIL COMMUNICATION

 CITY OF DES MOINES OFFICE OF THE CITY MANAGER	Number:	<b>24-025</b>	Meeting:	<b>January 22, 2024</b>
	Agenda Item:	<b>31</b>	Roll Call:	<b>24-0115</b>
	Submitted by:	<b>Cody Christensen, Development Services Director</b>		

## AGENDA HEADING:

Multiple Actions related to Redevelopment of 601 Locust Street, including Consent to an Existing Covenant for the Purposes of a Lot Tie, and Assignment and Amendment of the Skywalk Agreement to Ruan Redevelopment Partners, LLC.

## SYNOPSIS:

The Two Ruan Center at 601 Locust Street is being transferred to Ruan Redevelopment Partners, LLC, the new entity that has proposed the redevelopment project from an existing office building to a multi-family residential property. These collective Council actions make revisions to the existing Skywalk Agreements required for the planned redevelopment.

## FISCAL IMPACT: NONE

## ADDITIONAL INFORMATION:

- R2 Round 2, LLC, a subsidiary of Ruan Corporation, Block Real Estate Services, and Foutch Brothers have formed a limited liability company (Ruan Redevelopment Partners, LLC) for this proposed redevelopment project of Two Ruan Center at 601 Locust Street. The 14-story building will include around 200 new housing units in the downtown market.
- Ruan Center Corporation currently owns the property at 601 Locust Street. The property interest will be transferred to R2 Round 2, LLC, which will then transfer the property interest to Ruan Redevelopment Partners, LLC.
- There is a Skywalk Agreement in place for the portions of skywalk adjacent to this property. In order to complete the property transaction, there is a need to assign the Skywalk Agreements to the ultimate property owner, Ruan Redevelopment Partners, LLC.
- Prior to its assignment, the existing Skywalk Agreement needs to be amended to extend the termination date and update the operating hours.
- There is a covenant in place between Ruan Center Corporation and Ruan, Incorporated, which requires a lot tie requiring the parcels addressed 601 Locust Street and 666 Grand Avenue to remain under common ownership in order to address ventilation needs for an existing tenant. The

covenant needs to be terminated, with consent from the City, and reinstated between Ruan Center Corporation and Ruan Redevelopment Partners, LLC, due to the new ownership structure.

**PREVIOUS COUNCIL ACTION(S): NONE**

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

- Building Official approval of the reinstated covenant between Ruan Center Corporation and Ruan Redevelopment Partners, LLC.
- This action is not tied to a development agreement action. The actions above are to help facilitate the transfer of property to a separate LLC. If a development agreement is contemplated due to a financing gap on the proposed conversion project, the development project will go through our standard review process and come back to City Council for consideration of any additional actions.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the first floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).