

Date December 12, 2022

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH NORTH DES MOINES TOWN HALL, LP (CHADEN HALFHILL AND KUUKU SAAH) FOR RENOVATION OF EXISTING BUILDING AT 1601 6TH AVENUE

WHEREAS, Indigo Dawn LLC, 9205 Swanson Blvd., Clive, IA 50325, represented by Chaden Halfhill, Manager, proposed to undertake a renovation of the existing 4,800 square-foot historic 2 story building located at 1601 6th Avenue into its ultimate use as a restaurant on the ground floor and four (4) residential units on the upper floor (collectively “Improvements”) in the Metro Center Urban Renewal Area; and

WHEREAS, construction of the Improvements is anticipated to commence in summer 2022, with completion in fall 2023 at an estimated total project cost of \$2,800,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, the City’s Office of Economic Development has previously negotiated, and the City Council has previously approved by Roll Call No. 22-0611, preliminary terms of an Urban Renewal Development Agreement with Indigo Dawn, LLC, all as more specifically described in the accompanying Council Communication, which provided that in consideration of the Developer’s commencement and completion of the Improvements, the City will provide economic development grants at 50% and 100% completion of the Improvements of up to \$160,000 (cash basis) to be advanced from the Economic Development Enterprise Fund, which fund will thereafter be reimbursed by tax increment generated within the Metro Center Urban Renewal Area; and

WHEREAS, since the approval of the preliminary terms, ownership of the property and project obligations were transferred from Indigo Dawn, LLC to North Des Moines Town Hall, LP (“Developer”); and

WHEREAS, since the approval of the preliminary terms, the City’s Office of Economic Development has negotiated final terms of a development agreement with North Des Moines Town Hall, LP in a form on file with the City Clerk and which essential terms include reimbursement payments of up to \$160,000 as set forth above and provides a mechanism to reimburse increased property tax payments in the event any applicable abatement programs are not approved for the property;

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 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:

Date December 12, 2022

(i) it will advance the improvement and redevelopment of the Metro Center Urban Renewal Area in accordance with the Urban Renewal Plan; and (ii) 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 North Des Moines Town Hall, 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 the terms of the 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, 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.

(Council Communication No. 22-579)

MOVED BY _____ TO ADOPT. SECOND BY _____.

APPROVED AS TO FORM:

/s/ Gary D. Goudelock
Gary D. Goudelock
Assistant City Attorney



Roll Call Number

Date December 12, 2022

Agenda Item Number

29

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				
MOTION CARRIED			APPROVED	

_____ Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, 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.

_____ City Clerk