



Date January 25, 2021

RESOLUTION APPROVING SECOND AMENDMENT TO AMENDED AND RESTATED URBAN RENEWAL AGREEMENT FOR SALE OF LAND FOR PRIVATE REDEVELOPMENT, AND ASSIGNMENT AND ASSUMPTION AGREEMENT, AND AMENDED DECLARATION OF COVENANTS WITH MIESBLOCK COMMERCIAL, LLC (MICHAEL K. NELSON)

WHEREAS, on April 11, 2016, by Roll Call No. 16-0631, the City Council approved an Urban Renewal Agreement for Sale of Land For Private Redevelopment with Grand 7 Partners, LLC, represented by Mike Nelson, which was amended by the First Amendment approved by the City Council on September 12, 2016, by Roll Call No. 16-1531, and further amended by the Second Amendment approved by the City Council on October 10, 2016, by Roll Call No. 16-1748; and

WHEREAS, on August 14, 2017, by Roll Call No. 17-1406, the City Council approved an Amended and Restated Urban Renewal Agreement for Sale of Land for Private Redevelopment (“Agreement”) with Grand 7 Partners, LLC, whereby Grand 7 Partners, LLC agreed to develop the property in three phases as follows, in consideration of economic incentives to be provided by the City:

- Phase 1 to include the construction of a building (“skywalk node”) at the southwest corner of the site that provided a connection between the existing Grand Avenue skywalk bridge and the new 7th Street skywalk bridge, including the vertical connection on this block with an elevator and open air stairway connecting between the sidewalk and skywalk levels;
- Phase 2 to include the construction of a 3-story, 18,000 square-foot commercial building with ground floor restaurant and offices on the upper floors along the Grand Avenue frontage, where currently Microsoft’s local offices occupy one floor and a restaurant has recently committed to moving into the first floor with opening planned for summer 2020; and
- Phase 3 to include the construction of an apartment building with a minimum of six (6) floors and 75 market rate dwelling units at the 7th Street and High Street frontages; and

WHEREAS, Grand 7 Partners, LLC has completed Phases 1 and 2 of said project in accordance with the Agreement and the City has issued the Certificates of Completion for said project phases; and

WHEREAS, on October 14, 2019, by Roll Call No. 19-1645, the City Council approved a First Amendment to the Agreement allowing an additional year for completion of Phase 3 of the project improvements; and

WHEREAS, Grand 7 Partners, LLC has transferred a portion of the project property to Miesblock Commercial, LLC, represented by Michael K. Nelson, Manager, and has requested that the City consent to an assignment of the Agreement to Miesblock Commercial, LLC (“Developer”) for purposes of the Developer completing Phase 3 of the Improvements; and

WHEREAS, the Developer has indicated that it will not be able to achieve the required project start or completion deadlines for Phase 3 as currently set forth in the Agreement, as amended by First Amendment thereto, of November 1, 2020 and April 1, 2022, respectively, and has requested a one-year extension of each deadline; and



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WHEREAS, City staff and the Developer have negotiated a Second Amendment to the Agreement, in substantially the form on file in the office of the City Clerk, revising the project start and completion deadlines to November 1, 2021 and April 1, 2023, respectively, and revising related dates associated with the commencement of the City's tax abatement and economic development assistance for the project and contained in Exhibit A, Declaration of Covenants, to said Agreement; and

WHEREAS, City staff have further reviewed and are in agreement with a proposed Assignment and Assumption Agreement between Grand 7 Partners, LLC and Developer, by which Developer will assume all rights and obligations of Grand 7 Partners, LLC set forth in the Agreement.

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, as follows:

- 1. The proposed Second Amendment to Amended and Restated Urban Renewal Agreement for Sale of Land for Private Redevelopment between the City and Miesblock Commercial, LLC, and Amended Declaration of Covenants related thereto, both in form on file in the office of the City Clerk, are hereby approved subject to execution and recording, if applicable, by Grand 7 Partners, LLC and Miesblock Commercial, LLC of the Assignment and Assumption Agreement between said parties.
2. The Assignment and Assumption Agreement transferring the interest of Grand 7 Partners, LLC in the Agreement to Miesblock Commercial, LLC, in form on file in the office of the City Clerk, is hereby approved and consent given by the City thereto.
3. The Mayor is hereby authorized and directed to execute the Second Amendment and amended Exhibit A, and the Assignment and Assumption Agreement, on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on each such document.
3. The City Clerk shall forward a duplicate original or certified copy of all documents to the Office of Economic Development for release to Miesblock Commercial, LLC, and shall record the amended Exhibit A in the office of the Polk County Recorder upon direction of the City Legal Department.

(Council Communication No. 21- 048)

FORM APPROVED:

MOVED by Boeson to adopt.

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

Table with columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, and TOTAL. Includes Mayor signature and 'MOTION CARRIED' stamp.

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.
City Clerk