

Date..... January 7, 2008

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH BROWNSTONES ON GRAND, LLC, AND CONCEPTUAL DEVELOPMENT PLAN FOR PENDING PHASES OF THE BROWNSTONES ON GRAND

WHEREAS, Brownstones on Grand, LLC, (the "Developer"), being a subsidiary of Hubbell Realty Company represented by Steven L. Niebuhr, Senior Vice President, is the owner of the Property at 201 Grand Avenue more specifically described as follows:

Lots 19-43, Brownstones on Grand, an Official Plat, all now included in and forming a part of the City of Des Moines, Polk County, Iowa.

WHEREAS, the Property is located in the Metro Center Urban Renewal Area in a part of the downtown characterized by underutilized and vacant land and a pattern of disinvestment and declining resident population and employment; and,

WHEREAS, by the City Council has previously identified the need for additional housing in the downtown area to support continued growth and of the downtown as a commercial and employment center, and has identified the Property as an appropriate location for the development of such housing; and,

WHEREAS, in reliance upon the availability of 10-year 100% exemption from taxation on the taxable value added to multi-family commercial property in the downtown area allowed by Iowa Code §404.3(4) and the corresponding provisions in the Restated Urban Revitalization Plan for the City-wide Urban Revitalization Area, the Developer has developed two buildings on Lots 1 through 18, containing 18 town home units with two-car garages and appropriate common area improvements; and,

WHEREAS, in reliance upon the continued availability of 10-year 100% exemption from taxation, the Developer planned to developed three additional buildings on the Property containing 25 town homes with two-car garages and appropriate common area improvements (collectively the "Improvements"); and,

WHEREAS, the City Council has announced its intent to eliminate the 10-year 100% tax exemption for improvements to multifamily commercial property, and Developer cannot obtain suitable financing for the completion of the Improvements without the assurance that the 10-year 100% tax exemption is continued or substantially equivalent incentives are provided; and,

WHEREAS, the City Manager has negotiated a proposed Urban Renewal Development Agreement with the Developer whereby the Developer will complete the Improvements in accordance with an approved Conceptual Development Plan in exchange for City incentives that

( continued )

Date..... January 7, 2008

will replace the benefit that would otherwise be lost by the elimination of the 10-year 100% exemption from taxation under the City-wide Urban Revitalization Plan; and,

WHEREAS, the Developer's obligations under the proposed Urban Renewal Development Agreement to construct the Improvements furthers the objectives of the Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents and maintain taxable values within the Urban Renewal Project Area, to encourage the development of affordable and market-rate housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area, to provide a variety of locations to serve the different housing markets within the Project Area, and to encourage intensive and coordinated commercial and residential mixed-use development; and

WHEREAS, the economic development incentives for the development of the Improvements shall be 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 Urban Renewal Development Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of housing in the downtown area in accordance with the Urban Renewal Plan; (ii) it will provide a range of housing in decent, safe and sanitary conditions in attractive settings to serve people who would like to live in the downtown area; (iii) it will encourage further private investment and will attract and retain residents and businesses in the Metro Center Urban Renewal Project Area to reverse the pattern of disinvestment and declining resident population; and, (iv) it will further the City's efforts to create and retain job opportunities within the Project Area which might otherwise be lost; and,

WHEREAS, the construction of the Improvements is a speculative venture and the construction and resulting housing and redevelopment opportunities would not occur without the economic incentives provided by this Agreement; and,

WHEREAS, City believes that the redevelopment of the Property pursuant to this Agreement, and the fulfillment generally of this 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 this Agreement; and,

WHEREAS, the Urban Design Review Board considered the proposed Conceptual Development Plan for the Improvements at its meeting on December 4, 2007, and voted 5-0 in support of a motion to recommend approval of the Plan; NOW THEREFORE,

( continued )

Date..... January 7, 2008

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

1. The Urban Renewal Development Agreement between the City and Brownstones on Grand LLC, which provides for the Developer to construct the Improvements described above, and for the City to pay the Developer TIF funded Economic Development Grants, all as more specifically described in the accompanying Council Communication, is hereby approved.
2. The Mayor is hereby authorized and directed to sign the Urban Renewal Development Agreement on behalf of the City of Des Moines, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.
3. The Conceptual Development Plan for the Improvements is hereby approved.
4. Upon request by the City Manager or the City Manager's designee, the Finance Director shall cause each semi-annual installments on the Economic Development Grant to be timely paid in accordance with the terms of the said Urban Renewal Development Agreement.

( Council Communication No. 08- 021 )

MOVED by \_\_\_\_\_ to adopt.

FORM APPROVED:

*Roger K Brown*

Roger K. Brown  
 Assistant City Attorney  
 C:\Rog\Eco Dev\Brownstones\RC Approve Agr.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLASSIS				
TOTAL				

MOTION CARRIED

APPROVED

.....  
 Mayor

**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.

\_\_\_\_\_  
 City Clerk