

Date..... January 22, 2007

RESOLUTION CLOSING PUBLIC HEARING AND APPROVING URBAN RENEWAL
AGREEMENT FOR SALE OF LAND FOR PRIVATE REDEVELOPMENT WITH
VISION FUELS DES MOINES, L.L.C.
(SE Agribusiness Park - Disposition Parcel No. 1)

WHEREAS, the City of Des Moines owns the real estate within the Agrimergent Technology Park in the SE AgriBusiness Park Urban Renewal Area designated as Disposition Parcel No. 1, which is located south of Vandalia Road between SE 36th and SE 43rd Streets; and,

WHEREAS, on August 21, 2006, by Roll Call No. 06-1713, the City Council approved a competitive process for the sale of all or a portion of Disposition Parcel No. 1 in compliance with the urban renewal competitive disposition requirements of Iowa Code §403.8, and the City Council approved a Request for Proposals and Minimum Development Requirements for the redevelopment of Disposition Parcel No. 1 in accordance with the SE AgriBusiness Urban Renewal Plan; and,

WHEREAS, in response to the approved competitive process, the City received a proposal from Vision Fuels Des Moines, L.L.C. ("Vision Fuels"), represented by David W. Walters, President, for the purchase and redevelopment of a portion of Disposition Parcel No. 1 described below, for use as a 110 million gallon dry mill ethanol production facility; and,

WHEREAS, Vision Fuels has supplemented its original proposal with a Preliminary Terms of Agreement and a written Response to Information Request; and,

WHEREAS, on December 4, 2006, by Roll Call No. 06-2402, City Council selected the proposal by Vision Fuels as the best proposal for the purchase and redevelopment of a portion of Disposition Parcel No. 1; directed the City Manager to negotiate a final agreement with Vision Fuels; and scheduled a public hearing to be held on December 18, 2006, at 5:00 p.m., in the Council Chambers to consider approval of the final agreement and the proposed sale and conveyance of a portion of Disposition Parcel No. 1 to Vision Fuels; and,

WHEREAS, the City Manager has negotiated an *Urban Renewal Agreement for the Sale of Land for Private Redevelopment* with Vision Fuels for the sale of that portion of Disposition Parcel No. 1 described as Parcels "A" and "B" in the accompanying Plats of Survey (hereinafter collectively referred to as the "Property") upon terms consistent with Vision Fuels' proposal, the Preliminary Terms of Agreement and Vision Fuels' Response to Information Request, which is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, under the terms of the said Urban Renewal Agreement, Vision Fuels shall redevelop the Property for use as a 110 million gallon dry mill ethanol production facility by

(continued)

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Date..... January 22, 2007

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constructing and/or installing buildings, machinery and equipment, parking lots, railroad tracks, landscaping, and other structures and improvements, collectively referred to herein as the "Improvements"; and,

WHEREAS, the sale of the Property to Vision Fuels for redevelopment as an ethanol production facility is a disposition of real property for the purposes of redevelopment as an industrial building or facility and is exempt from the competitive disposition requirements under Section 403.8 (2) of the Urban Renewal Law; and,

WHEREAS, Vision Fuels' obligations under the Urban Renewal Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Agrimergent Technology Park within the SE AgriBusiness Urban Renewal Area in accordance with the Urban Renewal Plan and the Agrimergent Technology Park Plan; (ii) it will create new job opportunities within the Urban Renewal Area; (iii) it will assist in the creation and maintenance of tax base in the Urban Renewal Area; and, (iv) it will encourage further private investment and will attract and retain businesses in the Urban Renewal Area to reverse the pattern of disinvestment; and,

WHEREAS, the construction of the Improvements is a speculative venture and the construction and resulting employment and tax base will not occur without the City's assistance as provided by this Agreement; and,

WHEREAS, the 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 City's assistance as set forth in the Agreement; and,

WHEREAS, notice of the public hearing and of the proposed sale of real estate to Vision Fuels was given by publication in the Des Moines Register on December 8, 2006; and,

WHEREAS, on December 18, 2006, by Roll Call No. 06-2499, the public hearing was continued at the request of Vision Fuels until January 22, 2007, at 5:00 p.m.; and,

WHEREAS, in accordance with the published notice, all persons desiring to be heard regarding the proposed sale have been given an opportunity to be heard; NOW THEREFORE,

(continued)

Date..... January 22, 2007

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

1. Upon due consideration of the facts and statements of interested persons, the objections to said proposed sale and conveyance of the City-owned property described below are hereby overruled and the hearing is closed.
2. The *Urban Renewal Agreement for the Sale of Land for Private Development* between the City and Vision Fuels Des Moines, L.L.C., which provides for the sale of Parcels "A" and "B" as shown by the accompanying Plats of Survey to Vision Fuels for a Purchase Price of \$14,000 per acre, an undertaking by Vision Fuels to redevelop the Property with a 110 million gallon dry mill ethanol production facility, and a commitment by Vision Fuels to provide substantial additional consideration as identified in the Agreement and summarized in the accompanying Council Communication, is hereby approved.
3. The Mayor is hereby authorized and directed to sign the said Urban Renewal Agreement on behalf of the City, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on the document.
4. The Mayor is further authorized and directed to sign the Special Warranty Deed on behalf of the City of Des Moines for the conveyance of the Property to Vision Fuels pursuant to the Urban Renewal Agreement, and the City Clerk is authorized and directed to attest to the Mayor's signature on such document. The City Manager is authorized to cause the deed to be released to Vision Fuels upon receipt of the purchase price and satisfaction of the other conditions to Closing pursuant to the Urban Renewal Agreement.

(continued)

Date..... January 22, 2007

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5. The City Clerk is hereby further directed to cause the Urban Renewal Agreement to be recorded in the Office of the Polk County Recorder.

(Council Communication No. 07- 044)

MOVED by _____ to adopt.

FORM APPROVED:



Roger K. Brown

Assistant City Attorney

C:\Rog\Eco Dev\SE AgriBusiness\VF Agr\RC 07-01-22 Approve.doc

Documents:

Plats of Survey for Parcels "A" and "B"

Urban Renewal Agreement w/ Exhibits A-G

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

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.

Mayor

City Clerk

DESCRIPTION. PARCEL 3A

CORNERING THE NORTH 1/4 CORNER OF SAID SECTION 18; THENCE SOUTH 87° COMEERING 28' NINUTES 45" SECONDS BEARING FOR THE
PURPOSE OF THIS DESCRIPTION ON THE NORTH LINE OF SAID SECTION 18, A
DISTANCE OF 1262.13 FEET TO THE NORTH EXTENSION OF THE 02°30'46" WEST ON
THE NORTH EXTENSION OF THE WEST LINE AND THE WEST LINE OF SAID LAND
CONVEYED TO THE CITY OF DES MONIES, 50.00 FEET TO THE POINT OF BEGINNING;
THENCE SOUTH 87°28'45" EAST ON A LINE THAT IS 50.00 FEET SOUTH OF AND
PARALLEL WITH THE NORTH LINE OF SAID SECTION 18, A DISTANCE OF 1508.93 FEET
TO THE POINT OF BEGINNING; THENCE SOUTH 87°28'45" EAST ON A LINE THAT IS 50.00 FEET SOUTH OF AND
PARALLEL WITH THE NORTH LINE OF SAID SECTION 17, A DISTANCE OF 1267.73 FEET
TO THE POINT OF BEGINNING; THENCE SOUTH 87°28'45" EAST ON A LINE THAT IS 50.00 FEET SOUTH OF AND
PARALLEL WITH THE NORTH LINE OF SAID SECTION 17, A DISTANCE OF 1267.73 FEET
TO THE POINT OF BEGINNING; THENCE SOUTH 02°30'46" WEST, 1225.88 FEET (1262.61 FEET RECORDED) TO THE SOUTHWEST LINE OF SAID LAND
CONVEYED TO THE CITY OF DES MONIES, ALSO BEING THE PRESENT NORTHEAST
RIGHT-OF-WAY LINE OF THE BURTONVILLE ROAD, 1225.88 FEET (1262.61 FEET RECORDED) TO THE SOUTHWEST LINE OF SAID LAND
CONVEYED TO THE CITY OF DES MONIES, 1225.88 FEET (1262.61 FEET RECORDED) TO THE WEST LINE OF SAID LAND CONVEYED TO THE CITY
OF DES MONIES; THENCE NORTH 02°30'46" EAST ON SAID LINE, 862.24 FEET TO THE
POINT OF BEGINNING.

PARCEL 'A' IS SUBJECT TO PART OF A 30.00-FOOT WIDE PERMANENT EASEMENT CONVEYED TO THE CITY OF DES MOINES, IOWA, FOR THE USE AND BENEFIT OF THE BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA SAID PERMANENT EASEMENT IS RECORDED IN THE POLK COUNTY RECORDERS' OFFICE IN BOOK 1036, PAGE 86-85.

PARCEL 'A' IS ALSO SUBJECT TO A 40.00-FOOT WIDE RAILROAD EASEMENT FOR THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY INDUSTRY TRACK.

PARCEL 'A' IS ALSO SUBJECT TO A NEW 30.00-FOOT WIDE STORM SEWER EASEMENT LYING EAST OF AND ADJOINING THE WEST LINE OF PARCEL 'A'.

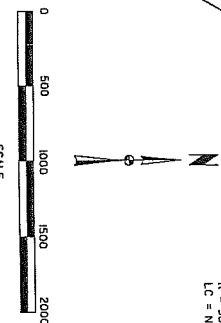
PARCEL 'A' IS ALSO SUBJECT TO A NEW 10.00-FOOT WIDE SANITARY SEWER EASEMENT LYING SOUTH OF AND ADJOINING THE NORTH LINE OF PARCEL 'A', CONTAINING 5,533.876 SQUARE FEET, OR 127.04 ACRES.


PROPERTY PINS THAT ARE INDICATED AS FOUND MAY NOT BE THERE DUE TO IMPROVEMENTS MADE IN AREA. IF THE PIN IS NOT THERE A REBAR WITH YELLOW PLASTIC CAP AND B505 WILL BE SET AT THE PROPERTY CORNER.

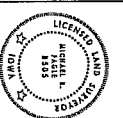
○ SET REBAR/YELLOW PLASTIC CAP NO. B505
○ FOUND 5/8" PIN UNLESS OTHERWISE NOTED

SURVEY REQUESTED BY: CITY OF DES MONIES, IOWA

TAX PARCEL ID: 050-04323-001-000
050-04348-001-000
050-04349-001-000
050-04392-001-000



NUMBERS	DATE		
DESIGN		 EarthTech A Tyco International Ltd. Company	
DESIGN			
ORDERED			
REQ.			
APPRO.			
APPRO.			
APPRO.			

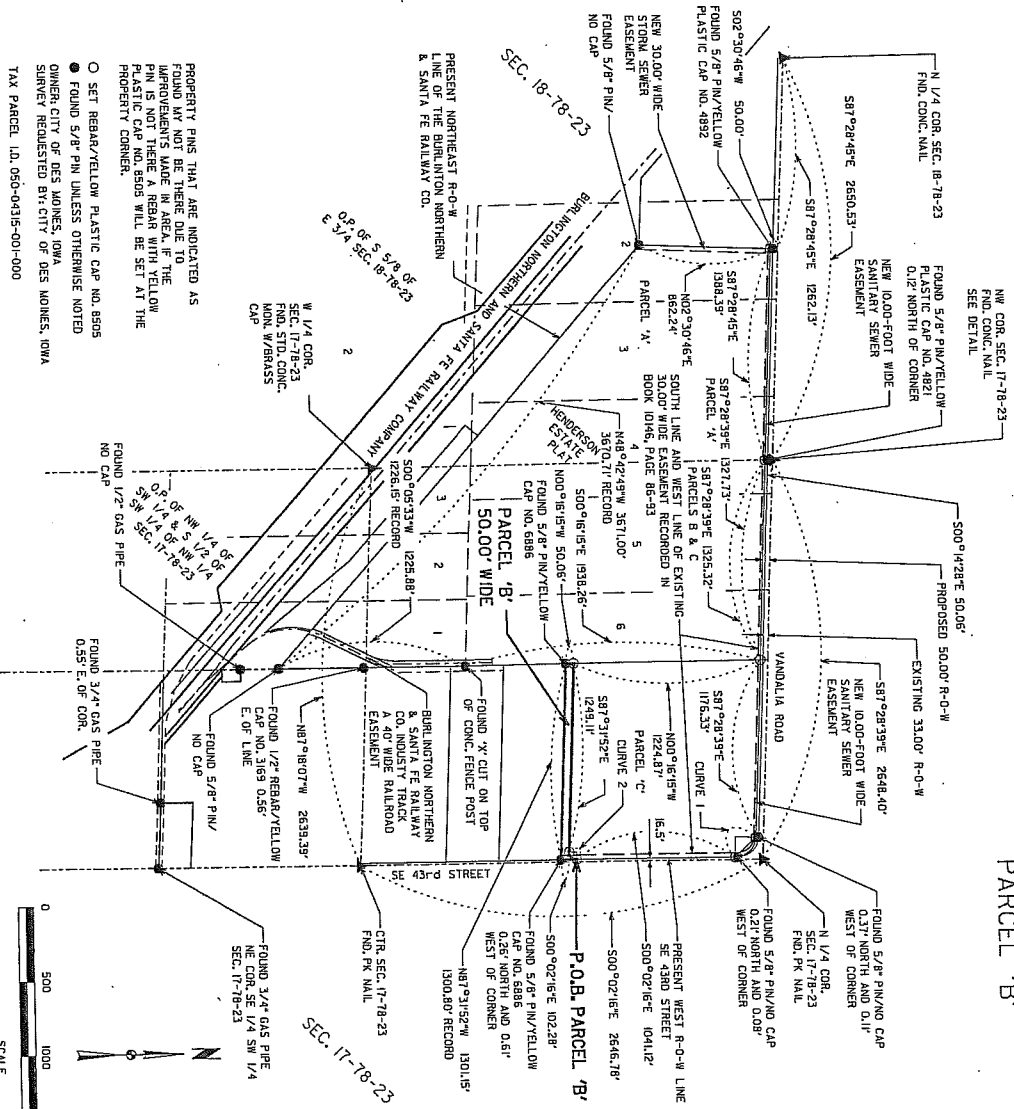


I hereby certify that this Land Surveying document was prepared by me or under my direct personal supervision and that I am a duly Licensed Land Surveyor under the laws of the State of Iowa.

Michael R. Fagle 12-11-06
Date

MICHAEL R. FAGLE
License number: 8505
My license renewal date is: December 31, 2008
Pages or sheets covered by this seal: _____
THIS SHEET _____

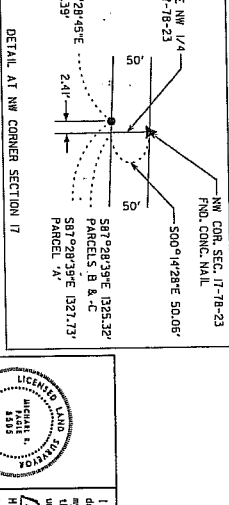
PLAT OF SURVEY OF PROPERTY BEING CONVEYED BY THE CITY OF DES MOINES, IOWA PARCEL 'B'



DESCRIPTION: PARCEL 'B'
A 50.00'-FOOT WIDE PARCEL OF LAND SITUATED IN NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 23 WEST OF THE 5TH P.M., CITY OF DES MOINES, IOWA, BEING A PORTION OF THE LAND CONVEYED TO THE CITY OF DES MOINES BY SPECIAL WARRANTY DEED DATED MAY 03, 2000, AND RECORDED IN THE POLK COUNTY RECORDER'S OFFICE IN BOOK 8546, PAGE 390, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 17, THENCE SOUTH 00° 00' 00" (DEGREES) 14' (MINUTES) 28" (SECONDS) EAST (ASSUMED BEARING FOR THE PURPOSE OF THIS DESCRIPTION) OF THE WEST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 17, A DISTANCE OF 50.00 FEET; THENCE SOUTH 87° 28' 39" EAST ON A LINE THAT IS 50.00 FEET SOUTH OF AND PARALLEL TO THE WEST LINE OF THE NORTHWEST 1/4 OF SAID SECTION 17, A DISTANCE OF 250.15 FEET; THENCE NORTH 87° 28' 39" EAST ON A 30.00-FOOT LONG CHORD BEARING SOUTH 43° 49' 27" EAST, 207.55 FEET (ARC LENGTH) TO A EAST LINE OF SAID LAND CONVEYED TO THE CITY OF DES MOINES, ALSO BEING THE PRESENT RIGHT-OF-WAY LINE OF SOUTHEAST 43RD STREET, BEGINS HEREIN, THENCE SOUTH 00° 02' 18" EAST ON SAID EAST LINE, 102.28 FEET; THENCE SOUTH 00° 02' 18" EAST ON SAID EAST LINE, 102.28 FEET; THENCE NORTH 87° 28' 39" EAST ON SAID EAST LINE, 102.28 FEET; THENCE NORTH 00° 02' 18" WEST ON SAID SOUTH LINE, 1,304.15 FEET (1,300.00 FEET RECORDED) TO A EAST LINE OF SAID LAND CONVEYED TO THE CITY OF DES MOINES, THENCE NORTH 00° 02' 18" WEST, 50.00 FEET; THENCE SOUTH 87° 28' 39" EAST, 1,225.11 FEET; THENCE NORTH 00° 02' 18" WEST, 50.00 FEET; THENCE SOUTH 87° 28' 39" EAST, 1,225.11 FEET; THENCE NORTH 00° 02' 18" WEST, 50.00 FEET; THENCE SOUTH 87° 28' 39" EAST, 1,225.11 FEET (ARC LENGTH) TO THE POINT OF BEGINNING.

PARCEL 'B' IS SUBJECT TO PART OF A 30.00-FOOT WIDE PERMANENT EASEMENT CONVEYED TO THE CITY OF DES MOINES, IOWA, FOR THE USE AND BENEFIT OF THE BOARD OF WATER WORKS TRUSTEES OF THE CITY OF DES MOINES, IOWA, BY SPECIAL WARRANTY DEED DATED MAY 03, 2000, AND RECORDED IN THE POLK COUNTY RECORDER'S OFFICE IN BOOK 1046, PAGE 88-93.



I hereby certify that this Land Surveying document was prepared by me or under my direct personal supervision and that I am a duly Licensed Professional Land Surveyor under the laws of the State of Iowa.

Michael R. Fagle
Date: 12-11-06
By license renewal date is December 31, 2006
This sheet

NAME	DATE
OWNER	
RECORD	
INDEXED	
FILED	
APPROVED	
DATE	
FILE NUMBER	
PROJECT NUMBER	
CLIENT NAME	
PROJECT NAME	
DATE	
FILE NUMBER	
PROJECT NUMBER	
CLIENT NAME	
PROJECT NAME	
DATE	
FILE NUMBER	

EarthTech
A Terra International Ltd. Company

January 22, 2007

Mayor and Members of the City Council
400 Robert D. Ray Drive
Des Moines, IA 50309

**RE: APPROVAL OF URBAN RENEWAL AGREEMENT WITH VISION FUELS
DES MOINES, LLC**

Honorable Mayor and Members of the City Council:

On the January 22, 2007 Council agenda is the approval of the Urban Renewal Agreement with Vision Fuels Des Moines, LLC. The company has proposed to construct an approximate 110 million gallon, dry mill fuel ethanol production facility on part of Disposition Parcel No. 1 in the Des Moines Agrimergent Technology Park.

The City has negotiated all of the provisions you requested at your December 4, 2006 meeting with one exception. Initially, you wanted final evidence of financing by May 15, 2007, to which Vision Fuels agreed at that time. However, the company is requesting flexibility due to the complex state and federal securities regulations it must comply with to obtain additional equity.

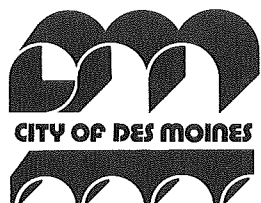
Here are the terms of the Agreement related to financing. By May 15, 2007, Vision Fuels will provide evidence that it (1) has at least \$40 million for the project and (2) has applied for and is diligently pursuing debt financing commitments sufficient to complete construction of the project. By October 1, 2007, prior to closing, Vision Fuels will provide additional evidence that it has (1) raised \$40 million in equity, (2) obtained a conditional commitment for the anticipated debt offering, and (3) is conducting an offering that is either exempt from SEC registration or has been declared effective by the SEC, which is reasonably expected to raise the balance of the required equity.

The City does not intend to close on the Property until sufficient financing is in place.

Sincerely,



Richard A. Clark
City Manager



OFFICE OF THE CITY MANAGER
CITY HALL
400 ROBERT D. RAY DRIVE
DES MOINES, IOWA 50309 -1891
(515) 283-4141

ALL-AMERICA CITY
1949, 1976, 1981
2003