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June 4, 2007

Date

RESOLUTION APPROVING DEVELOPMENT AGREEMENT WITH
ST INVESTMENTS, L.L.C. FOR DEVELOPMENT AT EAST FIFTH AND WALNUT STREET

WHEREAS, ST Investments, L.L.C., a/k/a ST Development Co. ("Developer") has proposed development of residential and commercial improvements to the property located at the northeast corner of the intersection of East Fifth and Walnut Street ("Property"); and

WHEREAS, the City Manager has negotiated a Development Agreement with Developer which provides that Developer shall undertake construction of at least 15,000 square feet of commercial space and 22,000 square feet of residential space on the Property; and

WHEREAS, the Development Agreement provides that the City shall advance an economic development grant in the amount of \$914,505.00 payable in seven annual installments after completion of construction; and

WHEREAS, the Property is located in the Metro Center Urban Renewal Project Area ("Project Area") and is being developed as a public and private sector initiative to stimulate investment of surrounding properties in the Project Area; and

WHEREAS, the Urban Design Review Board, at its meetings of February 20, 2007 and April 17, 2007, has recommended approval of the proposed economic development assistance and conceptual development plan for the development.

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 Development Agreement:

a. The economic development assistance and the obligations assumed by the Developer under the Development Agreement will generate the following gains and benefits: (i) provide a range of 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; (ii) encourage further private investment and attract and retain residents and businesses in the Project Area to reverse the pattern of disinvestment and declining resident population; and (iii) further the City's efforts to create and retain job opportunities within the Project Area which might otherwise be lost.

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b. The development of the Property will further the objectives of the Metro Center Urban Renewal Plan to: (i) preserve and create an environment which will protect the health, safety and general welfare of City residents and maintain taxable values within the Project Area; (ii) 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; (iii) provide a variety of locations to serve the different housing markets within the Project Area; (iv) encourage intensive and coordinated mixed-use development of commercial, residential and parking improvements; (v) provide for the orderly expansion of downtown Des Moines as a retail, financial and business center of the metropolitan area; and (vi) encourage the coordinated development of parcels and structures to achieve efficient building design and the provision of adequate parking.

c. The development of the Property in accordance with the Development Agreement and resulting housing and redevelopment opportunities would not occur without the economic incentives provided by the Development Agreement and the public gains and benefits are warranted in comparison to the amount of economic incentives.

d. The development of the Property pursuant to the Development Agreement and the fulfillment generally of the Development Agreement are in the vital and best interests of the 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 Metro Center Urban Renewal Project has been undertaken, and warrant the provision of the economic assistance set forth in the Development Agreement.

2. The Development Agreement with the Developer which is on file in the Office of the City Clerk is hereby approved and the Mayor is hereby authorized and directed to sign the Development Agreement on behalf of the City and the City Clerk or Chief Deputy City Clerk is hereby authorized and directed to attest to the Mayor's signature and affix the seal of the City.

3. Upon receipt of an executed Declaration of Covenants substantially in the form of Exhibit "A" to the Development Agreement and approval of same by the Legal Department, the City Clerk or Chief Deputy City Clerk is directed to certify City approval and acceptance of the Declaration.

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4. Upon receipt of an executed Minimum Assessment Agreement substantially in the form of Exhibit "B" to the Development Agreement and approval of same by the Legal Department, the Mayor is authorized and directed to sign such document on behalf of the City and the City Clerk or Chief Deputy City Clerk is authorized to attest to the Mayor's signature and affix the seal of the City.


5. Upon satisfaction of the conditions for advancement of the \$914,505.00 economic development grant pursuant to Article 6 of the Development Agreement and confirmation of same by the City Manager and the Legal Department, the Finance Department is hereby authorized and directed to advance the proceeds of such grant to the Developer in accordance with the terms of the Development Agreement.

6. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City, including the filing of the Declaration of Covenants and Minimum Assessment Agreement in the Office of the Polk County Recorder and approving or rejecting the Conceptual Development Plan and all changes thereto, and to monitor compliance by Developer with the terms and conditions of the Development Agreement and the City Manager is directed to forward to the City Council all matters and documents that require City Council review and approval in accordance with the Development Agreement.

(Council Communication No. 07-321)

APPROVED AS TO FORM:

Moved by _____ to adopt.


Lawrence R. McDowell
Deputy City Attorney

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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