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June 4, 2007

Date

RESOLUTION SETTING DATE OF HEARING ON PROPOSAL TO ENTER INTO A URBAN RENEWAL DEVELOPMENT AGREEMENT WITH RIVER POINT WEST LLC FOR THE RIVERPOINT WEST REDEVELOPMENT PROJECT INCLUDING THE SALE OF CITY-OWNED LAND, AND INVITING COMPETING PROPOSALS

WHEREAS, on October 24, 2005, by Roll Call No. 05-2603, the City Council approved a Preliminary Terms of Agreement for the Redevelopment of Riverpoint West with River Point West LLC, and directed the City Manager to continue negotiations with River Point West, LLC, upon the terms of a final Urban Renewal Development Agreement for future consideration for approval by the City Council; and,

WHEREAS, the City Manager has now negotiated a Phase 1 Urban Renewal Development Agreement (the "Agreement") with River Point West, LLC, for the first phase of the commercial component of the Riverpoint West Redevelopment Project involving the acquisition, clearance, installation of public infrastructure, preparation of "pad-ready" sites, and resale of the Phase 1 Commercial Redevelopment Area shown on the accompanying Exhibit "A", and generally located south of Martin Luther King Jr. Parkway between SW 9th and SW 16th Streets (excluding MidAmerican Energy's substation and the railroad property), for redevelopment with at least 557,334 square feet of commercial building space in accordance with a Conceptual Development Plan to be approved by City; and,

WHEREAS, the Agreement provides for the City to provide a City Loan in the amount of \$8.5 million to be repaid with the project-generated tax increment, up to \$2,508,960 of Metro Center TIF, and the balance from River Point West, LLC; and,

WHEREAS, the Agreement further provides for the payment of an Economic Development Grant to River Point West, LLC, in the amount of \$2.5 million; and,

WHEREAS, the Agreement further provides for the sale of the following City-owned property to River Point West, LLC, for a total Purchase Price of \$2.5 million and a commitment by River Point West, LLC, to dedicate the new right-of-way needed for the southern extension of SW 11th Street from Tuttle Street to Dart Way:

Parcel No.	District/ Parcel	Geo Parcel	Abbreviated Legal Description from Assessor's Records
2	020/02513-003-000	7824-09-178-008	BEG 28.53F NE OF SWLY COR THN NW 122.81F NE 252.39F NELY 438.95F SE 200.64F SW 148.25F SE 154.5F SW 294.65F SW 183.27F TO POB LT 3 TERMINAL PLACE
3	020/02516-000-000	7824-09-177-003	LOT 4 TERMINAL PLACE

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Parcel No.	District/ Parcel	Geo Parcel	Abbreviated Legal Description from Assessor's Records
4	020/02508-002-000	7824-09-177-004	EX ML KING PKWY ROW BNG ALL N OF LN BEG SE COR N 66F LOT 82 FACTORY ADD THEN ELY 1043.67F TO PT ON E LN 157.83F S OF NE COR BLOCK 7 H M HOXIES ADD & EX TRI PC BNG S 30F ON E LN & E 5F ON S LN- LOT 1 TERMINAL PLACE
5	020/02513-000-000	7824-09-610-015	BEG SWLY COR THN NW 117.9F TO NWLY COR NE ALNG NLY LN 30.95F SE 122.51F TO SLY LN SW ALNG SLY LN 28.53F TO POB LT 3 TERMINAL PLACE
7	020/01042-005-000	7824-09-176-001	-EX N 66F- & -EX E 100F S75F- N318F MEAS ON E LN LT 82 FACTORY ADDITION
10	020/01041-005-000	7824-09-504-015	BEG NLY COR THN SE 123.77F ALNG W ROW LN SW 11TH ST TO COR SW 96.65F ON SELY LN SW 139.23F TO NWLY LN NELY ALNG CRV 101.98F NE171.15F TO POB LT 81 FACTORY ADDITION
21	-	-	All the Tuttle Street right-of-way lying West of the West right-of-way line of SW 9th Street and lying East of the southern extension of the East right-of-way line of SW 11th Street, Des Moines, Polk County, IA.

WHEREAS, portions of the City-owned property described above were acquired with funds from the Martin Luther King Jr. Parkway Project Fund and the Park and Ride Fund and the sale of the property will trigger an obligation in the amount of \$1,397,665 to reimburse those funds; and,

WHEREAS, the Agreement requires that the City advance the costs to extend SW 11th Street from Murphy Street to Dart Way at an estimated cost of \$500,000.00 if certain conditions are satisfied, with that cost to be repaid by River Point West, LLC, when the adjoining property to the west is redeveloped; and,

WHEREAS, the Agreement contemplates and provides for the parties to enter into subsequent agreements for the balance of the Commercial Redevelopment Area shown on Exhibit "A", and for a planned Residential Redevelopment Area extending south and west to the Raccoon River if certain thresholds and performance criteria are satisfied; and,

WHEREAS, the sale of the City-owned property and redevelopment of the Riverpoint West Area in the manner set forth above furthers the objectives of the Metro Center 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 Metro Center Urban Renewal Project Area, to encourage intensive and coordinated commercial and residential mixed-use development, and to provide high-quality office options for businesses that desire a downtown location outside the downtown core; and

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WHEREAS, it is necessary and appropriate that City Council take certain actions in accordance with Iowa Code Section 403.8 with respect to the sale of the City-owned property described above, in order to receive the proposed Agreement and give full and fair opportunity for other potential developers to submit competing proposals for the acquisition and redevelopment of the City-owned property.

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

1. The proposed Urban Renewal Development Agreement from the River Point West LLC is hereby received and filed.
2. The City Council hereby declares its intent to select a Developer and to approve an urban renewal development agreement for the sale and redevelopment of the City-owned property after consideration of the matter at a public hearing to be held on July 9, 2007, at 5:00 p.m., in the Council Chambers.
3. The City Council hereby further declares its intent to approve the Urban Renewal Development Agreement with River Point West LLC, unless a competing proposal is timely filed with the Office of Economic Development as provided below, and is determined by the City Council to satisfy the minimum requirements set forth above and to better serve the public interest.
4. All competing proposals for the purchase and redevelopment of the City-owned property shall:
 - A. Set forth terms and conditions for the purchase of the City-owned Parcels 2, 3, 4, 5, 7, and 10, described above, for a purchase price of not less than \$2.5 million, and may provide for the purchase of City-owned Parcel 21 described above in the event the City determines that the Tuttle Street right-of-way upon Parcel 21 is no longer needed for a public purpose, in consideration of the dedication of the right-of-way necessary for the extension of SW 11th Street from Tuttle Street to Dart Way or payment of the City's cost to acquire the same.
 - B. Commit to the redevelopment of the City-owned property in substantial compliance with the Metro Center Urban Renewal Plan and with a preliminary conceptual development plan for commercial use providing the opportunity for the creation of a significant number of jobs and increase in the tax base.
 - C. Provide a complete financing plan identifying proposed sources for the land assembly and site preparation, and uses of funds, a cash flow analysis that shows projected

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revenues and expenses with all underlying assumptions, and that demonstrates the Developer's financial capacity to complete its proposal.

- D. Provide a timeline for the development of "pad ready" sites, estimated building space footage to be constructed thereon, projected minimum assessed values, percentage of the space to be devoted to office and retail space, and any other information necessary to determine the anticipated tax revenue to be generated.
 - E. Provide documentation of Developer and design team experience completing comparable development projects and documentation of Developer and management team experience managing similar projects over a long term.
5. It is hereby determined that the purchase price of \$2.5 million for City-owned Parcels 2, 3, 4, 5, 7 and 10 identified above, and the dedication of the right-of-way required for the extension of SW 11th Street from Tuttle Street to Dart Way as consideration for the purchase of City-owned Parcel 21 identified above, meets the fair market value for such parcels for uses in accordance with the Urban Renewal Plan and the proposed Urban Renewal Development Agreement, and shall be the established minimum price for the competitive bid process, taking into account the restrictions upon the property and the covenants, conditions and obligations to be assumed by the Developer for clearance, preparation and use of the property.
 6. The City Council hereby declares its intent to make available financial incentives in a form and amount acceptable to the City Council to encourage quality development. The financial incentives may include: tax abatement for the value added by improvements to property assessed as residential and commercial; economic development loans or grants; and assistance in seeking additional funding and financial assistance from other sources including but not limited to the State of Iowa Enterprise Zone Program, RISE Grants and other federal and state assistance.
 7. The City Clerk shall be authorized to cause the accompanying notice of the competitive bid process and the City's intent to enter into an urban renewal agreement for the sale and development of the City-owned property to be published in the Des Moines Register on June 6, 2007.
 8. Written proposals for the purchase and development of the City-owned parcels described above must be received by the Office of Economic Development on or before 1:30 p.m., on July 6, 2007. Each proposal will be opened and reviewed by the City staff after such deadline and such proposals and a staff evaluation and recommendation will be presented to the City Council on July 9, 2007.

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9. This resolution and the proposed Urban Renewal Development Agreement with River Point West, LLC, shall be on file at the Office of the City Clerk, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa.
10. The competitive bid process conducted in accordance with the terms of this resolution, is hereby determined to comply with the provisions of Iowa Code Section Chapter 403.8(2), requiring "reasonable competitive bidding procedures" for the sale of the Property and this competitive bid process is hereby determined to be the appropriate method for making the City-owned parcels available for development in accordance with the Metro Center Urban Renewal Plan.
11. All inquiries regarding the terms and conditions of this competitive bid process must be submitted by 4:00 p.m. on June 20, 2007, to the Office of Economic Development, City Hall, 400 Robert D. Ray Drive, Des Moines, Iowa, 50309. All interested potential developers are invited to contact the Office of Economic Development to discuss the types and levels of economic incentives that are available and acceptable to the City.

(Council Communication No. 07- 315)

MOVED by _____ to adopt.

APPROVED AS TO FORM:

Roger K. Brown

Roger K. Brown

Assistant 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