

Date July 9, 2007

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT
WITH RIVER POINT WEST LLC FOR THE RIVERPOINT WEST
REDEVELOPMENT PROJECT, INCLUDING THE SALE OF CITY-OWNED LAND

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 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 \$2,927,295 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 City-owned parcels described below to River Point West LLC, for a total Purchase Price of \$2.5 million, 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 and other valuable consideration:

WHEREAS, on June 4, 2007, by Roll Call No. 07-1119, the City Council declared its intent to select a Developer and approve an urban renewal agreement for the sale and redevelopment of the City-owned parcels located south of Martin Luther King Jr. Parkway and west of SW 9th, designated as Parcels 2, 3, 4, 5, 7, 10 and 21, below; approved a competitive process for the sale and redevelopment of the City-owned parcels; and, resolved that the Council would consider approval of the best proposal at a public hearing to be held on July 9, 2007, at 5:00 p.m., in the Council Chambers; and,

July 9, 2007

WHEREAS, no competing proposals for the purchase and redevelopment of the City-owned parcels were received; and,

WHEREAS, the sale of the City-owned parcels and redevelopment of the Phase 1 Commercial Redevelopment 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

WHEREAS, Developer's obligations under this Agreement to acquire the Phase 1 Commercial Redevelopment Area, to construct the Phase 1 Public Infrastructure and prepare the Redevelopment Parcels for redevelopment, and to sell the Redevelopment Parcels for redevelopment 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 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

WHEREAS, the Developer's obligations under this Agreement to acquire the Phase 1 Commercial Redevelopment Area, to construct the Phase 1 Public Infrastructure and prepare the Redevelopment Parcels for redevelopment, and to sell the Redevelopment Parcels for redevelopment will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Urban Renewal Project Area in accordance with the Urban Renewal Plan; (ii) it will encourage intensive and coordinated commercial and residential mixed-use development; (iii) it will encourage further private investment and will attract and retain businesses and residents in the Urban Renewal Project Area to reverse the pattern of disinvestment and declining population; and (iv) it will further City's efforts to create and retain job opportunities within the Commercial Redevelopment Area and the balance of the Urban Renewal Area which might otherwise be lost; and

WHEREAS, the undertaking by the Developer pursuant to this Agreement is a speculative venture and the construction and resulting development, employment opportunities and increase in the tax base will not occur without the economic incentives provided by this Agreement; and

WHEREAS, City believes that the redevelopment of the Commercial Redevelopment Area 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

68

July 9, 2007

the Urban Renewal Project has been undertaken, and warrant the provision of the economic assistance set forth in this Agreement.

WHEREAS, a copy of the Urban Renewal Development Agreement is on file and available for public inspection in the office of the City Clerk; and,

WHEREAS, in accordance with the published notice, those interested in said proposed sale and conveyance, both for and against, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council; NOW, THEREFORE,

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

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 Development Agreement with River Point West LLC, which provides for the sale of the City-owned parcels more specifically described below for a purchase price of \$2.5 million and other valuable consideration, and for the City to advance the City Loan and Economic Development Grant in the amounts described above, in consideration of the undertaking by River Point West LLC to acquire and prepare the Phase 1 Commercial Redevelopment Area for redevelopment, is hereby approved.

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
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

July 9, 2007

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.

3. The Mayor is authorized and directed to sign the Agreement described above on behalf of the City of Des Moines, and the City Clerk is authorized and directed to attest to the Mayor's signature on such document.
4. The Mayor is further authorized and directed to sign the Special Warranty Deeds on behalf of the City of Des Moines for the conveyance of the City-owned parcels to the Developer pursuant to the Agreement, and the City Clerk is authorized and directed to attest to the Mayor's signature on such documents. The City Manager is authorized to cause the deeds to be released to the Developer upon receipt of the purchase price and satisfaction of the conditions precedent to closing as set forth in the Agreement. Upon sale of the City-owned parcels and request by the City Manager, the Finance Department is further authorized and directed to use up to \$\$1,397,665 of Metro Center TIF proceeds to reimburse the M.L. King Project Fund and the Park & Ride Fund for their interests in such parcels.
5. Upon receipt of each Minimum Assessment Agreement signed by the Developer pursuant to the terms of the Agreement, and approval of the same by the City Legal Department, the Mayor is authorized and directed to sign the Minimum Assessment Agreement and the City Clerk is authorized and directed to attest to the Mayor's signature on such document. Upon execution of each Minimum Assessment Agreement by the Mayor and City Clerk, the City Manager is authorized and directed to forward the document for execution by the Polk County Assessor and recording in the office of the Polk County Recorder.
6. The City Manager is hereby authorized and directed to negotiate the loan and trust agreements, assignments and any other contracts necessary and appropriate to implement a New Markets Tax Credit Structure as contemplated by the Agreement, subject to future review and approval of such contracts by the City Council.

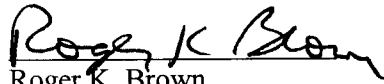
Date July 9, 2007

7. The City Manager, or the City Manager's designee, is hereby authorized and directed to serve as the City's representative in the administration of the Agreement, and shall have those powers delegated to the City Manager pursuant to Section 11.3 of the Agreement, but excluding the right to approve the following matters which is hereby expressly reserved to the City Council:
- a) The loan and trust agreements, assignments and any other contracts to implement a New Markets Tax Credit Structure.
 - b) Approval of the Conceptual Development Plan and pro forma, and any material amendments thereto.
 - c) Approval of any Parcel Development Agreement for the sale and redevelopment of any parcel.
 - d) Approval of the development agreements for the Phase 2 Commercial Redevelopment Area and the Residential Development Area.

(Council Communication No. 07- 393)

MOVED by _____ to adopt.

FORM APPROVED:


 Roger K. Brown

Assistant City Attorney
 C:\Rog\Eco Dev\Riverpoint\Dev Agr\RC Hrg.doc

Attachments:

Exhibit "A" – Phase 1 Commercial Redevelopment Area

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

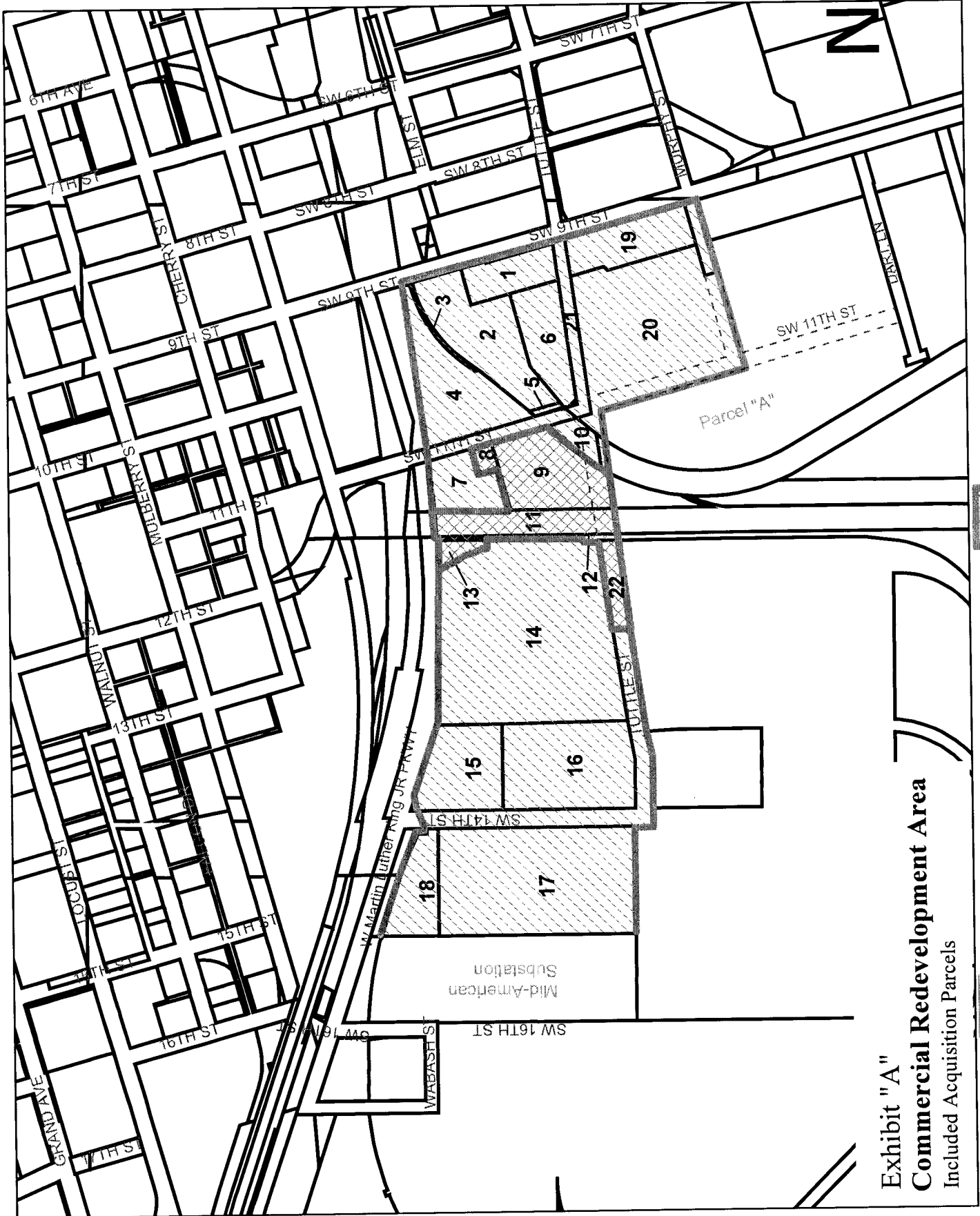


Exhibit "A"
Commercial Redevelopment Area
 Included Acquisition Parcels

Phase 2 Commercial Redevelopment Area

Phase 1 Commercial Redevelopment Area