

61 F

Date..... July 14, 2008

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT AND CONCEPTUAL DEVELOPMENT PLAN FOR REDEVELOPMENT OF A PORTION OF THE MERLE HAY MALL

WHEREAS, on this date by a prior roll call, the City Council has approved the Merle Hay Commercial Area Urban Renewal Plan (the "Urban Renewal Plan") for an area along Merle Hay Road between Ovid Avenue and Aurora Avenue, and along Douglas Avenue between 54th Street and the City boundary with the City of Urbandale (the "Project Area"); and,

WHEREAS, the objective of the Urban Renewal Plan is to reinforce the existing development and to encourage new development in the Project Area that creates retail, office and other commercial space that appeals to local residents and visitors and businesses; that serves and strengthens the surrounding commercial corridors and residential neighborhoods; that retains, expands and creates new employment opportunities; and that retains and expands the existing tax base; and,

WHEREAS, Merle Hay Mall Limited Partnership (the "Developer"), represented by Elizabeth Holland, an officer, owns the real estate at 3850 Merle Hay Road in a portion of the Project Area known as the main concourse of the Merle Hay Mall and more specifically described as follows (the "Property");

Lot "L" as shown by the Plat of Survey filed in Book 11159, at Pages 79-80, in the office of the Polk County Recorder, being a part of Parcel "H", Merle Hay-Aurora Place, an Auditor's Plat, all now included in and forming a part of the City of Des Moines, Iowa.

WHEREAS, the Property contains a substantial amount of underutilized or vacant commercial retail space with declining property values; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement ("the Agreement") with the Developer, whereby the Developer has agreed to rehabilitate the Property for commercial retail use in conformance with a Conceptual Development Plan to be approved by City and having a minimum assessed value for taxation upon substantial completion of \$18,686,000, in exchange for an undertaking by the City to advance an Economic Development Grant to the Developer in semi-annual installments over 15 years in amounts equal to the incremental taxes on the Property subject to the division of revenue pursuant to Iowa Code §403.19; and,

WHEREAS, the Developer's obligations under the Agreement to rehabilitate the Property furthers the objectives of the Urban Renewal Plan to reinforce the existing development and to encourage new development in the Project Area that creates retail, office and other commercial space that appeals to local residents and visitors and businesses; that serves and strengthens the

(continued)

61 F

Date July 14, 2008

surrounding commercial corridors and residential neighborhoods; that retains, expands and creates new employment opportunities; and that retains and expands the existing tax base; and,

WHEREAS, the Developer's obligations under the Agreement to rehabilitate the Property will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan; (ii) it will encourage further private investment and will attract and retain businesses and residents in the Project Area and the surrounding commercial corridors and neighborhoods to reverse the pattern of disinvestment and declining resident population; and, (iii) 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 rehabilitation of the Property is a speculative venture and the construction and resulting redevelopment opportunities will not occur without the economic incentives contemplated by the Agreement; and,

WHEREAS, the City Council believes that the redevelopment of the Property pursuant to the Agreement, and the fulfillment generally of the 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 the Agreement.

WHEREAS, on June 17, 2008, the Urban Design Review Board, voted to recommend approval of the proposed Conceptual Development Plan and terms of financial assistance for the redevelopment of the Property; NOW THEREFORE,

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 Merle Hay Mall Limited Partnership, which provides for the redevelopment of the Property by the Developer and the payment of a TIF funded Economic Development Grant in semi-annual installments over 15 years, is hereby approved.
- 2.. The proposed Conceptual Development Plan for the redevelopment of the Property at 3850 Merle Hay Road is hereby approved.
3. Subject to final passage and publication of the ordinance providing for the division of revenues from the Merle Hay Commercial Area Urban Renewal Area pursuant to Iowa Code §403.19, 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.

★ Roll Call Number

Agenda Item Number

61 F

Date July 14, 2008

- 4. Upon execution of the Urban Renewal Development Agreement, the City Clerk shall cause the Agreement to be recorded in the land records of the Polk County Recorder.

(Council Communication No. 08- 396)

MOVED by _____ to adopt.

FORM APPROVED:

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