

Date..... July 28, 2008

RESOLUTION APPROVING CONCEPTUAL DEVELOPMENT PLAN,
PRO FORMA AND SUPPLEMENTAL INFORMATION FOR THE FIRST PHASE
OF THE RIVERPOINT WEST REDEVELOPMENT PROJECT

WHEREAS, on October 8, 2007 by Roll Call 07-1991, the City Council approved an Amended and Restated Urban Renewal Development Agreement (the "Agreement") with River Point West LLC (the "Developer") represented by George Sherman, whereby the Developer agreed to complete 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 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 the following incentives for the redevelopment of the Phase 1 Commercial Redevelopment Area:

- i) The City has used the proceeds of a HUD guaranteed Section 108 Loan to provide a City Loan in the amount of \$8.5 million to the Developer, with the City Loan to be repaid by the Developer with Developer cash and the proceeds of a City Grant to the Developer funded by City with 75% of the project-generated tax increment (the "Project TIF"), the proceeds of a \$2 million BEDI Grant received by the City and up to \$2,927,295 of Metro Center TIF;
- ii) A Supplemental Grant to the Developer in the amount of \$2.5 million to be paid upon closing on the purchase of the City-owned parcels within the Phase 1 Commercial Redevelopment Area; and,
- iii) The sale of the City-owned parcels within the Phase 1 Commercial Redevelopment Area to the Developer in consideration of \$2.5 million in cash or offset against the Supplemental Grant, a commitment by the Developer 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, the Agreement further provides that the Conceptual Development Plan shall be accompanied by a pro-forma and supplemental information that establishes or identifies:

- i) An overall land development financing strategy and reasonable budget in sufficient detail to identify the sources and uses of funds and timeframe needed, including the anticipated costs for the acquisition, clearance, remediation of

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environmental conditions, and preparation of the Phase 1 Commercial Redevelopment Area for redevelopment, including the construction of all public infrastructure necessary for the planned redevelopment of the Phase 1 Commercial Redevelopment Area;

- ii) Projected income from land sales and minimum assessed values for the sale and redevelopment of each Redevelopment Parcel;
- iii) Any assumptions City may reasonably need to consider when determining the anticipated tax increment finance revenue to be generated by the Redeveloped Parcels as well as Developer’s estimated return on investment and how the estimate was derived; and,
- iv) An organizational chart that demonstrates how the undertakings by Developer under this Agreement will be managed (name, title, project responsibility).

WHEREAS, the Agreement further provides that the Conceptual Development Plan, pro-forma and supplemental materials shall demonstrate to the City's reasonable satisfaction that the conditions set forth in paragraph 1, below have been satisfied; and,

WHEREAS, on May 20, 2008, the Urban Design Review Board voted 3 - 0 in support of a motion to recommend approval of the proposed Conceptual Development Plan for the Phase I Commercial Redevelopment Area; 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 of fact with regard to the proposed conceptual Development Plan for the Phase I Commercial Redevelopment Area:
 - a) It is both feasible and reasonably certain that all of the Phase 1 Commercial Redevelopment Area can be acquired, cleared, prepared and sold for development in accordance with the terms of the Agreement; and,
 - b) The redevelopment of the Phase 1 Commercial Redevelopment Area and the construction of the planned Improvements within the Phase 1 Commercial Redevelopment Area in substantial conformance with the Conceptual Development Plan is reasonably expected to generate incremental tax revenues subject to allocation pursuant to Iowa Code (2007) §403.19(2) that, when added to the BEDI Grant portion of the City Grant and the supplemental advances on the City Grant made pursuant to Section 7.06(C) of the Agreement, are sufficient to amortize that portion of the Section 108 Loan allocated to the City Loan over a period of not to exceed 22 years after the first advance on the City Loan from the Project TIF.

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- The Conceptual Development Plan, pro-forma and supplemental information for the Phase I Commercial Redevelopment Area, which is on file and available for public inspection in the office of the City Clerk, is hereby approved pursuant to Article 2 of the Amended and Restated Urban Renewal Development Agreement with River Point West LLC.

(Council Communication No. 08- 428)

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