

Date..... September 22, 2008

RESOLUTION APPROVING AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH R. E. PROPERTIES, L.L.C., FOR REDEVELOPMENT OF 506 -524 E. GRAND AVENUE

WHEREAS, on August 11, 2008, by Roll Call No. 08-1434, the City Council of the City of Des Moines approved preliminary terms of an agreement with R.E. Properties, L.L.C. (the "Developer"), represented by Tim Rypma, Managing Member, for the redevelopment of properties on the north side of the 500 block of E. Grand Avenue; and,

WHEREAS, the City Manager subsequently negotiated an Urban Renewal Development Agreement (the "Agreement") with the Developer which provides that Developer shall undertake to complete the historic renovation of five buildings on the north side of the 500 block of E. Grand Avenue, to include the following improvements to be completed in substantial compliance with a Conceptual Development Plan to be approved by the City:

- a) Restoration of the building facades to their former appearance and to recapture the original mixed-use design of residential units and retail.
- b) Renovation of the 8 residential units original to the second story of the buildings for use as studio apartments and/or office space averaging approximately 1,600 square feet per unit.
- c) Renovation of the street and basement level space, including removal of non-original interior partitions back to the original plaster walls.
- d) Updating of all electrical and HVAC systems, and installation of fire sprinklers throughout the buildings.
- e) Renovation of the North half of 506 East Grand Avenue, to include a garage with seven (7) parking spaces.

WHEREAS, the Agreement provides that upon completion of the renovation of the property, the City shall pay to Developer an economic development grant with an estimated present value of approximately \$1.04 million, to be advanced in 10 semi-annual installments, each equal to 75% of the incremental property taxes generated by the renovation of the property in the preceding six months; and

WHEREAS, Developer's obligations under the Agreement to complete the renovation of the property will generate the following public gains and benefits which serve to promote the health, safety and welfare of the City residents: (i) it will advance the improvement and

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redevelopment of the East Village in accordance with the Metro Center Urban Renewal Plan and the East Village Study Block Development Plan; (ii) it will advance the goal of providing a range 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) it will encourage further private investment and will attract and retain residents and businesses in the Eastern Gateway area of the Metro Center Urban Renewal Area to maintain and enhance taxable values and reverse the pattern of disinvestment and declining resident population; and, (iv) it will further the City's efforts to create and retain job opportunities within the Metro Center Urban Renewal Area which might otherwise be lost; and,

WHEREAS, the renovation of the property is a speculative venture and the resulting commercial and residential redevelopment will not occur without the economic incentives provided by the Agreement; and,

WHEREAS, City 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 August 19, 2008, the Urban Design Review Board voted 7-0 in support of a motion to recommended approval of the use of tax increment financing assistance and the proposed Conceptual Development Plans for this project; 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 R.E. Properties, L.L.C., 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 Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.

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- The proposed Conceptual Development Plan for the improvements to the property, which is on file and available for public inspection in the City Office of Economic Development, is hereby approved pursuant to Section 22 of the Agreement.

(Council Communication No. 08- **557**)

MOVED by _____ to adopt.

FORM APPROVED:

 Roger K. Brown
 Assistant City Attorney
 C:\Rog\Eco Dev\500 E Grand\RC 08-09-22 Approve.doc

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