

Date..... October 8, 2007

RESOLUTION APPROVING AN AMENDED AND RESTATED URBAN RENEWAL DEVELOPMENT AGREEMENT WITH RIVER POINT WEST LLC AND A LOAN AGREEMENT WITH RIVER POINT WEST INVESTMENT FUND LLC FOR THE RIVERPOINT WEST REDEVELOPMENT PROJECT

WHEREAS, on July 9, 2007, by Roll Call No. 07-1341, the City Council approved an Urban Renewal Development Agreement (the "Agreement") with River Point West LLC (the "Developer"), 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 from a City Grant to the Developer from 75% of the project-generated tax increment, the proceeds of a \$2 million BEDI Grant and up to \$2,927,295 of Metro Center TIF, and with the balance of the City Loan to be repaid by the Developer;
- Provide a Supplemental Grant to the Developer in the amount of \$2.5 million; and,
- Sell 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 contemplated that portions of the Developer's interests in the Agreement would be assigned to other intermediate parties to implement a financing structure that leverages the City Loan to obtain New Markets Tax Credits; and,

WHEREAS, on July 9, 2007, by Roll Call No. 07-1341, the City Council further authorized and directed the City Manager to negotiate the loan and trust agreements, assignments and any other contracts necessary and appropriate to implement the New Markets Tax Credit Structure as contemplated by the Agreement, subject to future review and approval of such contracts by the City Council.

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WHEREAS, it is now necessary to amend the Agreement and to approve a Loan Agreement with River Point West Investment Fund, LLC, (the "Investment Fund") and other documents to allow a financing structure that qualifies for New Markets Tax Credits and to address additional and further issues that have arisen since the Agreement was approved, all as more specifically provided in the Amended and Restated Urban Renewal Development Agreement, Loan Agreement, Lock Box Agreement, and Sales Proceeds Fund Escrow Agreement which are on file and available for public inspection in the office of the City Clerk; NOW, THEREFORE,

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

1. The Amended and Restated Urban Renewal Development Agreement (the "Amended Agreement") with the Developer, which provides for the sale of the City-owned parcels, and for the City to advance the City Loan and Economic Development Grant in the amounts described above, in consideration of the undertaking by the Developer to acquire and prepare the Phase 1 Commercial Redevelopment Area for redevelopment, is hereby approved.
2. The following documents incidental to, and necessary for the implementation of, the Amended Agreement are hereby approved:
 - a) Loan Agreement with River Point West Investment Fund, LLC, whereby the City Loan is to be advanced to the Investment Fund for the benefit of the Developer.
 - b) Lock Box Agreement with the Developer, River Point West Investment Fund, LLC, and other parties whereby all advancements on the City Grant and all funds contributed to the Developer for the project, and all payments made by Developer in repayment of the secondary loans that repay the City Loan, are held by an Escrow Agent for security purposes.
 - c) Sales Proceeds Fund Escrow Agreement with the Developer, Sherman Associates, Inc., and other parties whereby one-half of the net proceeds from the sale of any property by Developer within the project area are held by an Escrow Agent for security purposes.
 - d) Such other and further financing documents as may be required to implement the Amended Agreement and the Loan Agreement, subject to approval of same by the City Manager and the Legal Department.

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3. The Mayor is authorized and directed to sign the Amended Agreement, the Loan Agreement, the Lock Box Agreement, and the Sales Proceeds Fund Escrow 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 documents, which such minor changes as may be approved by the City Manager and the City Legal Department. The Mayor and City Clerk are hereby further authorized and directed to execute on behalf of the City such other and further financing documents as may be required to implement the Amended Agreement and the Loan Agreement, subject to approval of same by the City Manager and the Legal Department.

(Council Communication No. 07- 612)

MOVED by _____ to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

C:\Rog\Eco Dev\Riverpoint\Dev Agr\1st Amendment\RC Approve.doc

Attachments:

Exhibit "A" – Phase 1 Commercial Redevelopment Area

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
MEYER				
VLISSIS				
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

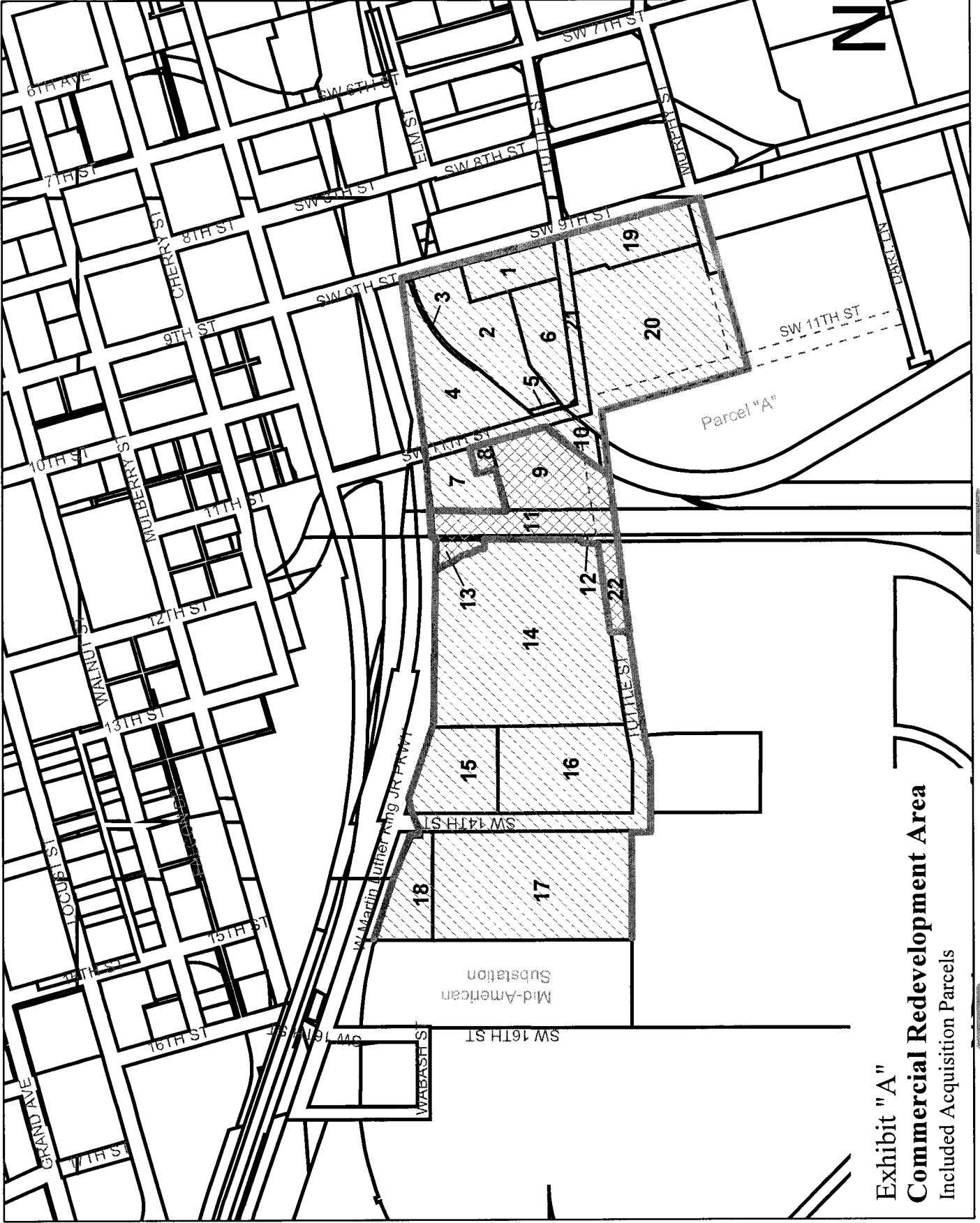


Exhibit "A"
Commercial Redevelopment Area
 Included Acquisition Parcels

-  Phase 1 Commercial Redevelopment Area
-  Phase 2 Commercial Redevelopment Area