

October 9, 2006

Date

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT
AND HOME INVESTMENT PARTNERSHIPS AGREEMENT WITH
CHESTNUT HILLS LIMITED PARTNERSHIP AND APPROVING
PROPOSED CONCEPTUAL DEVELOPMENT PLAN FOR THE
RENOVATION OF ESTHER HALL

WHEREAS, Chestnut Hills Limited Partnership a limited partnership of MetroPlains Properties, Inc., represented by Gary Stenson, its Vice President, and of Gandolf Development, LLC, represented by Bruce Larson, its Manager, has agreed to rehabilitate Esther Hall (a/k/a Hawthorn Hill) at 921 Pleasant Street for use as 43 dwelling units with the associated parking spaces and common area improvements (the "Improvements"), subject to receipt of the financial assistance provided below; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement with Chestnut Hill Limited Partnership (the "Developer"), whereby the City is to provide an unsecured Economic Development Loan to the Developer in the amount of \$250,000 to be advanced after completion of the Improvements and repaid after 40 years; and,

WHEREAS, the City Manager has further negotiated a HOME Investment Partnerships Agreement (HOME Agreement) with the Developer whereby the City is to provide a HOME Loan in the amount of \$249,990 to be repaid over sixteen years at the rate of 1% annual interest, interest only paid during the first 15 years and the balance in full due in year 16; and,

WHEREAS, the Developer's obligations under the Urban Renewal Development Agreement and the HOME Agreement (the "Agreements") to construct the Improvements 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 the development 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, and to provide a variety of locations to serve the different housing markets within the Project Area; and,

WHEREAS, the Developer's obligations under the Agreements to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the area around Esther Hall in accordance with the Metro Center Urban Renewal 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

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further private investment and will attract and retain residents and businesses in the Project Area to 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 Project Area which might otherwise be lost; and,

WHEREAS, the construction of the Improvements is a speculative venture and the construction and resulting housing and redevelopment opportunities would not occur without the economic incentives provided by these Agreements; and,

WHEREAS, City believes that the redevelopment of the Property pursuant to these Agreements, and the fulfillment generally of these Agreements, 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 these Agreements; and,

WHEREAS, on August 15, 2006, the Urban Design Review Board voted 6-0-1 to recommend approval of the tax increment funded incentives to the project, and sitting with the Historic Preservation Commission as the Landmark Review Board, voted 11-0-1 in support of a motion to recommend issuance of a conditional Certificate of Appropriateness for the exterior alterations as set forth in the proposed Conceptual Development Plan for the Improvements; 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 Chestnut Hills Limited Partnership, which provides for the redevelopment of Esther Hall at 921 Pleasant Street and the advancement of a TIF funded Economic Development Loan in the amount of \$250,000 by the City, is hereby approved.
2. The HOME Agreement between the City and Chestnut Hills Limited Partnership, which provides for the redevelopment of Esther Hall with 10 units of low income housing and the advancement by City of a HOME program loan in the amount of \$249,990 , is hereby approved.
3. 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 on the documents.

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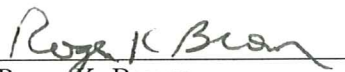
Date

4. The Community Development Director is authorized to execute the HOME Agreement after final review by Legal Counsel.
5. 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.
6. The Conceptual Development Plan for the Improvements to the Property submitted by the Developer, 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 Urban Renewal Development Agreement, subject to the following requirements:
 1. The mortar shall match the existing mortar;
 2. The existing roof tiles shall be salvaged and reused on the west and south elevations to the extent feasible; and,
 3. The new roof tiles shall match the color and appearance of the existing roof tiles, all to be reviewed and approved by the Community Development Director.

(Council Communication No. 06-)

MOVED by _____ to adopt.

FORM APPROVED:


 Roger K. Brown
 Assistant City Attorney

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Conceptual Development Plan contents:

Sheet	Title
C-101	Site Demolition Plan (Rev. 9-12-06)
C-105	Site Planting Plan (Rev. 9-12-06)
A-211	Exterior Elevations (Rev. 8-21-06)
A-212	Ext. Elevations & Sec. (Rev. 8-21-06)
A-213	Exterior Elevations (Rev. 8-21-06)
A-214	Exterior Elevations (Rev. 8-21-06)

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
HENSLEY				
KIERNAN				
MAHAFFEY				
VLASSIS				
TOTAL				

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.

MOTION CARRIED APPROVED

 Mayor

 City Clerk