

Date June 24, 2013

**RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT
AGREEMENT FOR REDEVELOPMENT OF A PORTION OF THE
MERLE HAY MALL**

WHEREAS, on July 14, 2008, by Roll Call No. 08-1240, the City Council approved the Urban Renewal Plan for the Merle Hay Commercial Urban Renewal Area (the "Plan") which seeks to enhance private development within the urban renewal area through provision of infrastructure improvements and economic development assistance that is provided, in part, with tax increment revenues generated in the urban renewal area; 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 western concourse of the Merle Hay Mall and more specifically described as follows (the "Property");

Parcels "J" and "I" as shown by the Plat of Survey filed in Book 10663, at Pages 731-732, in the office of the Polk County Recorder, being a part of Lots 1, 2 and 3, 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, on May 20, 2013, by Roll Call No. 13,850, the City Council approved preliminary terms of agreement with Merle Hay Mall Limited Partnership for a second phase of improvements to the Merle Hay Mall; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement ("the Agreement") with the Developer consistent with the preliminary terms of agreement, whereby the Developer has agreed to rehabilitate the Property by demolishing the southern of the two parking garages on the Property, constructing exterior façade improvements facing Douglas Avenue, renovating the two-level portion of the Western Concourse for use as an entertainment center with an eight screen movie theater and restaurant occupying approximately 37,000 square feet, and renovating approximately 9,000 square feet of additional space in the Western Concourse for occupancy by an additional retail tenant, and by making various other interior and exterior renovations, in exchange for an undertaking by the City to advance an Economic Development Grant to the Developer in eight semi-annual installments of \$200,000 each November 1st and May 1st, or the first business day thereafter, commencing November 1, 2026, as further described in the accompanying Council Communication; 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

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3. The City Clerk shall forward the signed Minimum Assessment Agreement to the City Legal Department to coordinate execution of that document by the Polk County Assessor, and the recording of that document with the Polk County Recorder.
4. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant pursuant to Article 4 of the Development Agreement.

(Council Communication No. 13- **318**)

MOVED by _____ to adopt.

FORM APPROVED:



Roger K. Brown

Assistant City Attorney

G:\USERS\RKBrown\Rog Docs\Eco Dev\Merle Hay\Agr - Phase 2\RC Approve Alt 2.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
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

May 20, 2013

Honorable Mayor Frank Cownie and Des Moines City Council
400 Robert D. Ray Drive
Des Moines, Iowa 50309

Subject: Economic Assistance Agreement with Merle Hay Mall

Mayor Cownie and City Council Members

The Merle Hay Neighborhood Association (MHNA) Board of Directors wishes to offer its support for preliminary plans to offer city economic assistance to Merle Hay Mall (Mall) as second phase improvements are pursued at the Mall.

MHNA is a non-profit organization that is formally recognized by the City of Des Moines. Our association exists to enhance and improve quality of life in our neighborhood, and foster a sense of community pride through citizen participation.

MHNA board members on Friday, May 17, had the opportunity to meet with the Mall's local legal counsel, William Lillis. We appreciate Mr. Lillis's time, and the opportunity to learn more about exciting improvements at the Mall. MHNA board members believe the addition of Flix Brewhouse constitutes a unique and high-quality improvement to the Mall.

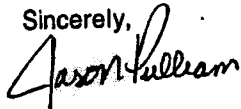
Currently, many northwest Des Moines residents travel to Urbandale, West Des Moines, and Johnston to watch movies. Flix Brewhouse is the kind of business that can keep more Des Moines business in the city, and also draw customers from the suburbs. That will be good for the Mall, surrounding businesses, and all of northwest Des Moines.

Big picture, MHNA board members appreciate all of the efforts Mall officials have undertaken in recent years to improve and make the facility more viable. We also appreciate the city's support for those efforts, which have given a needed boost to the Merle Hay corridor and greater northwest Des Moines.

There is an issue related to this project the MHNA board would like the Council's consideration on. Presently, MHNA board members are unaware of the Mall's plans for signage near Douglas Avenue. We request that Mall, neighborhood, and city leaders work together to ensure that pole signs are not allowed as part of this project. We also ask that there be no monument signage that exceeds what current city regulations allow. Given all of the unsightly pole signs and billboards that clutter the Merle Hay corridor and surrounding commercial areas, MHNA board members feel it is very important to be sensitive to the types of signage that are allowed near the public right-of-way going forward.

Thank you for your consideration.

Sincerely,



Jason Pulliam
President, Merle Hay Neighborhood Association
2113 52nd Street
Des Moines, Iowa 50310
Cell – 515.681.9689
jason.pulliam@gmail.com