

Date April 21, 2014

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 505 EAST GRAND, LLC, FOR THE REDEVELOPMENT OF PROPERTY AT 505 E. GRAND AVENUE, AND APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, on November 18, 2013, by Roll Call No. 13-1850, the City Council authorized and directed the City Manager to negotiate with Christensen Development 1, LLC, represented by Jake Christensen, regarding a proposed mixed-use retail and market rate apartment project at 505 E. Grand Avenue; and,

WHEREAS, 505 East Grand, LLC, represented by Jake Christensen (hereinafter referred to as the "Developer"), was then established as the development entity to undertake this project; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with the Developer whereby the Developer has agreed to redevelop the property at 505 E. Grand Avenue with a new 2-story building at least 40 feet in height and containing at least 18,000 square feet of finished floor area for retail/commercial uses, and with off-street parking, landscaping and streetscape improvements (hereinafter collectively referred to as the "Improvements), in conformance with the proposed Conceptual Development Plan; and,

WHEREAS, the proposed Agreement further provides that in consideration of the undertakings by the Developer to construct the Improvements, the City shall provide an economic development grant payable in 11 annual installments commencing on December 1, 2017, with each annual installment to be in an amount equal to the percentage of the Project TIF (*exclusive of the Downtown SSMID Levy*) set forth in the following table:

Amount of Annual Installments on the Deferred Grant

Years	Installment Years	Percentage of Project TIF
1 through 8	2017 through 2024	70%
9 & 10	2025 through 2026	60%
11	2027	50%

WHEREAS, the proposed Agreement and Conceptual Development Plan are on file and available for inspection in the office of the City Clerk; and,

WHEREAS, at its meeting on March 4, 2014, the members of the Urban Design Review Board voted 7-0 in support of a motion to recommend approval of the financial assistance to be provided by the City, and the preliminary design of the project; and,

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WHEREAS, at its meeting on March 25, 2014, the members of the Urban Design Review Board voted ___ - ___ in support of a motion to recommend approval of the final project design as reflected in the proposed Conceptual Development Plan.

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 in support of the proposed Agreement with the Developer, 505 East Grand, LLC:
 - a) The Developer's obligations under the Agreement to redevelop the property for retail and other commercial uses furthers the objectives of the Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents, and maintain and expand taxable values and employment opportunities within the Urban Renewal Project Area; and,
 - b) The economic development incentives are provided by the City to Developer pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under this Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan; (ii) it will establish conditions which attract further new investments and prevent the recurrence of blight and blighting conditions; and, (iii) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost; and,
 - c) The construction of the Improvements is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the proposed Agreement; and,
 - d) 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.
2. The Conceptual Development Plan for the project, which is Exhibit "A" to the Agreement, is hereby approved,
3. The Urban Renewal Development Agreement between the City and 505 East Grand, LLC, is hereby approved.

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4. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
5. 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 Agreement.
6. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement on behalf of the City, including the filing of the Agreement, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Communication No. 14- *171*)

MOVED by _____ to adopt.

FORM APPROVED:



Roger K. Brown

Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				

MOTION CARRIED APPROVED

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.

_____ Mayor

_____ City Clerk