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Date September 8, 2014

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 201, LLC, FOR A \$49 MILLION PROJECT CONSTRUCTING A 137 ROOM HOTEL, 124 MARKET RATE RESIDENTIAL UNITS AND A 317 SPACE PARKING GARAGE AT 201 E. LOCUST STREET AND APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, on February 10, 2014, by Roll Call No. 14-0241, the City Council approved preliminary terms of agreement with 201 East Locust, LLC, represented by Troy Hansen, Managing Member, on a proposed \$45 million project to redevelop the former Mulcahy site in the East Village at 201 E. Locust Street, with 104 market rate apartment units, an extended stay hotel with 120 lodging rooms and with additional first floor commercial lease space, and a parking garage with a minimum of 236 spaces for residents and hotel guests, in consideration of an Economic Development Grant to be provided by the City and paid over a fifteen year term, with the annual installments in years 1 through 5 to be in the amount of \$400,000.00, and the amount of the annual installments in years 6 through 15 to be in the amount of \$300,000.00, all as more specifically described in Council Communication No. 14-057; and,

WHEREAS, by said Roll Call No. 14-0241, the City Council also authorized and directed the City Manager to proceed with negotiation of a formal agreement with 201 East Locust, LLC, consistent with the approved preliminary terms; and,

WHEREAS, 201, LLC, an Iowa limited liability company (the "Developer"), represented by Troy Hansen (officer), has been created to serve as the developer for this project; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with the Developer whereby the Developer has agreed redevelop the property at a higher density than anticipated in the preliminary terms but without the commercial space, having approximately 124 market rate apartment units, an extended stay hotel with approximately 137 lodging rooms, and a parking garage with approximately 317 parking spaces for residents and hotel guests, hereinafter collectively referred to as the "Improvements", all to be in conformance with the proposed Conceptual Development Plan and in consideration of an Economic Development Grant that is unchanged from the preliminary terms; and,

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 August 19, 2014, the Urban Design Review Board considered the financial assistance to be provided by the City and the design of the project, and a majority of the members were unable to agree upon a recommendation regarding the financial assistance and design; and,

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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, 201, LLC:
 - a) The Developer's obligations to construct the Improvements as provided in the Agreement furthers the objectives of the Metro Center Urban Renewal Plan to provide additional housing, employment opportunities and tax base in the East Village within the Metro Center Urban Renewal Project Area, and preserve and create an environment which will protect the health, safety and general welfare of City residents; and,
 - b) The economic development incentives for the creation of the employment opportunities and development of the Improvements 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 the 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 encourage further private investment to reverse the pattern of disinvestment and declining property values in the surrounding area; 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 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 "B" to the Agreement, is hereby approved,
3. The Urban Renewal Development Agreement between the City and 201, 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- 449)

MOVED by _____ to adopt.

FORM APPROVED:

Roger K Brown

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

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