



Date November 17, 2014

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 215 EAST 3RD STREET, LLC, FOR THE CONVERSION OF THE FORMER DILLEY MANUFACTURING BUILDINGS AT 215 E. 3rd STREET FOR OFFICE AND RESTAURANT/COMMERCIAL USES, AND APPROVING CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, on October 20, 2014, by Roll Call No. 14-1641, the City Council approved preliminary terms of agreement with Christensen Development 1, LLC, represented by Jake Christensen, President, on a proposed \$4.8 million project to redevelop the former Dilley Manufacturing Buildings at 215-221 E. 3rd Street (the Property), for office and restaurant/commercial uses in consideration of an Economic Development Grant to be provided by the City and paid over a fifteen year term, all as more specifically described in Council Communication No. 14-513; and,

WHEREAS, by said Roll Call No. 14-1641, the City Council also authorized and directed the City Manager to proceed with negotiation of a formal agreement consistent with the approved preliminary terms, with a development entity to be created by Christensen Development 1, LLC for this project; and,

WHEREAS, 215 East 3rd Street, LLC, an Iowa limited liability company (the "Developer"), represented by Jake Christensen (officer), was 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 for office and restaurant/commercial uses, hereinafter collectively referred to as the "Improvements", all to be in conformance with the proposed Conceptual Development Plan, in consideration of an Economic Development Grant to be paid in 30 semi-annual installments based upon a declining percentage of the project generated tax increment as follows:

Years	Installments	Percentage of Project TIF
1 through 5	1 through 10	90%
6 through 9	11 through 18	85%
10 through 12	19 through 24	80%
13 through 15	25 through 30	75%

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

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WHEREAS, at its meeting on October 21, 2014, the Urban Design Review Board voted 7-0 to recommend approval of the financial assistance to be provided by the City, and voted 6-0 to recommend approval of the design of the project.

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, 215 East 3rd Street, LLC:
 - a) The Developer's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will restore a vacant and blighted building to productive use; (ii) it will advance the improvement and redevelopment of the Metro Center Urban Renewal Area in accordance with the Urban Renewal Plan; (iii) it will encourage further private investment to reverse the pattern of disinvestment and declining property values in the surrounding area; and, (iv) it will further the City's efforts to retain and create job opportunities within the Urban Renewal Area which might otherwise be lost.
 - b) 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,
 - c) 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 215 East 3rd Street, LLC, is hereby approved.
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.

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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- **550**)

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