

Date March 9, 2015

RESOLUTION CLOSING HEARING ON URBAN RENEWAL AGREEMENT FOR THE SALE OF LAND FOR PRIVATE REDEVELOPMENT WITH IOWA MACHINE SHED CO., FOR THE SALE AND REDEVELOPMENT OF DISPOSITION PARCEL 13-1 AT 401 E. GRAND AVENUE IN THE METRO CENTER URBAN RENEWAL PROJECT, AND APPROVING SAME

WHEREAS, on June 24, 2013, by Roll Call No. 13-1028, the City Council of the City of Des Moines adopted the Thirteenth Amendment to the Urban Renewal Plan for the Metro Center Urban Renewal Area which designated a City-owned parcel of land at 401 E. Grand Avenue, and more specifically described below, as Disposition Parcel 13-1:

Except the East 15 feet, Lot 3; all of Lots 4 and 5; and, the East 47.5 feet of Lot 6, in Block 9, East Fort Des Moines, an Official Plat, all now included in and forming a part of the City of Des Moines, Polk County, Iowa (hereinafter referred to as the "Property").

WHEREAS, Iowa Machine Shed Co. (the "Developer"), represented by Michael Whalen, its President, has presented to the City a developer-initiated proposal whereby the Developer has offered to purchase and redevelop the Property with a 6-story, 100 room hotel featuring underground parking, a rooftop bar, and a small fitness center (hereinafter collectively referred to as the "Improvements), having a total estimated project cost of \$18.125 million, in exchange for City economic development assistance consisting of a grant back of the land sales proceeds of \$550,000 and 80% of the project-generated tax increment for a term of 20 years, all as more specifically described in the *Urban Renewal Agreement for Sale of Land for Private Redevelopment* (the "Agreement") which is on file in the office of the City Clerk; and,

WHEREAS, on October 21, 2014, the members of the Urban Design Review Board voted 7-1-1 in support of a motion to recommend approval of the proposed financial assistance package for the project, and on December 2, 2014, the members voted 9-0 to recommend approval of the proposed design of the hotel project; and,

WHEREAS, on January 12, 2015, by Roll Call No. 15-0035, the City Council accepted the Agreement and authorized publication of notice of intent to approve and enter into the Agreement at a public hearing on March 9, 2015, at 5:00 p.m., in the Council Chambers, if no competing proposals were received by the City by February 27, 2015; and,

WHEREAS, the public notice was published in the Des Moines Register on January 15, 2015, and no competing proposals for the purchase and redevelopment of the Property have been received.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

Date March 9, 2015

-2-

1. Upon due consideration of the facts and statements of interested persons, the objections to the sale and conveyance of the Property to the Developer as set forth in the Agreement are hereby overruled and the hearing is hereby closed.
2. The City Council hereby makes the following findings regarding the proposed sale and conveyance of the Property pursuant to the Agreement:
 - a) The Developer's obligations under the Agreement to redevelop the Property 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 and expand taxable values and employment opportunities within the Metro Center Urban Renewal Area; and,
 - b) The economic development incentives are provided by the City to Developer pursuant to the Iowa 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 Urban Renewal 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; (iii) it will maintain and expand taxable values in the Urban Renewal Area; and, (iv) it will further the City's efforts to create and retain employment opportunities within the Urban Renewal 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 this Agreement; and,
 - d) The redevelopment of the Property pursuant to the Proposed 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.
3. The *Urban Renewal Agreement for Sale of Land for Private Redevelopment* between the City and Iowa Machine Shed Co., and Exhibit "C" thereto containing the Conceptual Development Plan for the Improvements, is hereby approved.
4. The Mayor is hereby authorized and directed to execute the Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on the Agreement.

61

Date March 9, 2015

5. Upon request by the City Legal Department, the Mayor is hereby further authorized and directed to execute the Special Warranty Deed on behalf of the City for conveyance of the Property to the Developer, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on the Agreement. The City Clerk is further directed to forward the signed Warranty Deed to the Legal Department for release to the Developer at Closing as provided in the Agreement.
6. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Initial and Deferred Economic Development Grants pursuant to Article 4 of the Agreement.
7. The City Manager or his designees are hereby authorized and directed to administer the Agreement on behalf of the City 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. 15- **118**)

MOVED by _____ to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

U:\Rog Docs\Eco Dev\HOA\RC Approve Dev Agr.doc

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