Date August 22, 2016

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT
WITH 220 SE 6th STREET PROPERTIES, LLC, FOR THE CONSTRUCTION OF A NEW
COMMERCIAL OFFICE BUILDING AND PARKING STRUCTURE AT 220 SE 6th
STREET, APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN, AND
APPROVING PARKING LICENSE AGREEMENT FOR CITY USE OF PARKING
SPACES WITHIN THE PARKING STRUCTURE

WHEREAS, on May 23, 2016, by Roll Call No. 16-0853, the City Council approved preliminary terms of agreement with PDM Precast, Inc., represented by Adam Petersen, President, and GPS Impact, represented by Jim Kottmeyer, Partner, (collectively the "Owners") for City assistance for the redevelopment of the vacant Property locally known as 220 SE 6th Street and extending between SE 5th and SE 6th Streets north of Elm Street, with a 47,000 square foot office building and a two-level parking structure with approximately 115 parking spaces for use by the tenants and guests of the office building, all as more specifically described in Council Communication No. 16-288; and,

WHEREAS, by said Roll Call No. 16-0853, the City Council also authorized and directed the City Manager to proceed with negotiation of a formal agreement with the Owners consistent with the approved preliminary terms; and,

WHEREAS, at the Urban Design Review Board meeting on June 21, 2016, the members of the Board voted 7-0 in support of a motion to recommend approval of the financial assistance to be provided by the City pursuant to the Development Agreement; and,

WHEREAS, at the Urban Design Review Board meeting on August 2, 2016, the consensus of the members present was to recommend approval of the design of the project with either a two level or three level parking structure as shown by the proposed Conceptual Development Plan; and,

WHEREAS, the Owners have designated 220 SE 6th Street Properties, LLC (the "Developer"), as the development entity to own and develop the property; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Development Agreement") with the Developer that is generally consistent with the approved preliminary terms, whereby the Developer has agreed to redevelop the Property by the construction of the office building and a larger three-level parking structure containing approximately 175 parking spaces in consideration of the following City assistance:

- An Initial Economic Development Grant in the amount of $200,000 to be paid upon substantial completion of the planned improvements in conformance with the Conceptual Development Plan; and,
- A Deferred Economic Development Grant payable in 20 semi-annual installments commencing December 1, 2019, with each installment to be equal to a declining percentage of the project generated tax increment,

all as more specifically described in the accompanying Council Communication; and,

(continued)

WHEREAS, the City Manager has also negotiated a Parking License Agreement with Developer for the City's use of 60 parking spaces within the top two floors of the parking structure for an initial semi-annual license fee of $47,250 ($125 per month per parking space plus 5% administration fee) for a term of 25 years with two optional 10-year extensions, all as more specifically described in the accompanying Council Communication; and,

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

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 Development Agreement and Parking License Agreement:

   a) The Developer's obligations under the Development Agreement to redevelop the Property by construction of the office building and parking structure and by the improvement of the 500 block of E. Elm Street (collectively the "Improvements"), all as more specifically described in the proposed Conceptual Development Plan with the addition of the 3rd level to the parking structure, 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.

   b) The economic development incentives to be provided by the City to Developer are provided pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under the Development Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Metro Center Urban Renewal Area in conformance with the Urban Renewal Plan; (ii) it will further the City's efforts to retain and create job opportunities within the Area which might otherwise be lost; and, (iii) it will establish conditions which attract further new investments and prevent the recurrence of blight and blighting conditions.

   c) The construction of the Improvements is a speculative venture and the construction and resulting benefits would not occur without the economic incentives to be provided by the City pursuant to the Development Agreement.

   d) The City Council believes that the redevelopment of the Property pursuant to the Development Agreement, and the fulfillment generally of the Development 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 Development Agreement.

Date ___August 22, 2016___

e) The Parking License Agreement benefits the City by assuring that 60 parking spaces within the parking structure will be available to serve the future redevelopment of the City-owned blocks west of the Property at urban densities.

2. The Conceptual Development Plan for the project, which is Exhibit "A" to the Development Agreement, is hereby approved,

3. The Urban Renewal Development Agreement and the Parking License Agreement between the City and 220 SE 6th Street Properties, LLC, are hereby approved.

4. The Mayor and City Clerk are hereby authorized and directed to execute the Development Agreement and Parking License Agreement on behalf of the City of Des Moines. The City Clerk is hereby further directed to record the executed agreements.

5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the Initial Economic Development Grant and the installments on the Deferred Economic Development Grant pursuant to Article 4 of the Development Agreement, and shall advance the semi-annual license fee under the Parking License Agreement.

6. The City Manager or his designees are hereby authorized and directed to administer the agreements on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the agreements. 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 agreements.

MOVED by _____ to adopt.

FORM APPROVED:

(Council Communication No. 16- _479_)

Roger K Brown

Roger K. Brown, Assistant City Attorney

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