★ **Roll Call Number**

Agenda Item Number
24

Date April 3, 2017

APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT AND AN ECONOMIC DEVELOPMENT PARKING LICENSE AGREEMENT WITH FEDERAL HOME LOAN BANK OF DES MOINES FOR THE BANK'S PURCHASE AND REDEVELOPMENT OF 909 AND 912 LOCUST STREET FOR RELOCATION AND EXPANSION OF ITS HEADQUARTERS

WHEREAS, on March 6, 2017, by Roll Call No. 17-0395, the City Council approved preliminary terms of agreement with Federal Home Loan Bank of Des Moines (the "Bank"), represented by Aaron Lee, Senior Vice President, whereby the Bank would expand its headquarters in downtown Des Moines by renovating and relocating to the building at 909 Locust Street with additional surface parking at 912 Locust Street, subject to the City providing an Economic Development Grant payable in 30 semi-annual installments, with each semi-annual installment to be equal to one-half of 50% of the annual project-generated tax increment, and a license for the use of up to 425 parking spaces in the Ninth and Locust Parking Garage for 15 years, with the parking rate for the first 10 years to be discounted by 20% from the market rate, all as more specifically described in Council Communication No. 17-280; and,

WHEREAS, by said Roll Call No. 17-0395, the City Council also authorized and directed the City's Office of Economic Development to proceed with negotiation of formal agreements with the Bank consistent with the approved preliminary terms; and,

WHEREAS, the Office of Economic Development has negotiated an Urban Renewal Development Agreement (the "Development Agreement") and an Economic Development Parking License Agreement (the "Parking License") with the Bank consistent with the approved preliminary terms, with the Bank also agreeing to retain at least 200 full time equivalent jobs in the downtown and to allow public use of its parking lot at 912 Locust on nights and weekends, all as more specifically described in the accompanying Council Communication.

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

WHEREAS, at its meeting on March 28, 2017, the Urban Design Review Board voted 10-0 in support of a motion to recommend approval of the financial assistance to be provided to the Bank by the City pursuant to the Development Agreement.

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 with Federal Home Loan Bank of Des Moines:

(continued)

a) The renovation of the building at 909 Locust Street and the improvement of the surface parking lots at 909 and 912 Locust Street (collectively the "Improvements") for use as the Bank's headquarters as provided in the Development Agreement will allow for the retention of approximately 260 jobs and allow for additional job growth expected in the future.

b) The completion of the Improvements will also further the objectives of the Metro Center Urban Renewal Plan to maintain employment opportunities and taxable values within the Urban Renewal Area, and to preserve and create an environment which will protect the health, safety and general welfare of City residents.

c) The economic development incentives to be provided by the City pursuant to the Development Agreement shall be provided pursuant to the Iowa Urban Renewal Law and Chapter 15A of the Code of Iowa, and the Bank's obligations under the Development Agreement to complete the Improvements will generate the following public gains and benefits: (i) it will further the City's efforts to retain and create job opportunities within the downtown area and the Metro Center Urban Renewal Area which might otherwise be lost; (ii) it will advance the improvement and redevelopment of the downtown area in accordance with the Metro Center Urban Renewal Plan; and, (iii) it will encourage further private investment and will attract and retain other businesses in the downtown.

d) The Bank's purchase of the properties at 909 and 912 Locust Street, and the completion of the Improvements is a speculative venture and the Improvements and resulting employment and redevelopment opportunities will not occur without the economic incentives provided by the Development Agreement and Parking License.

e) The City believes that the investment by the Bank to relocate its home office facility within the downtown area and the retention of the associated employment is 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 Metro Center Urban Renewal Project has been undertaken, and warrant the provision of the economic assistance set forth in the Development Agreement and Parking License in compliance with Des Moines Municipal Code Section 114-666.

2. The Urban Renewal Development Agreement and the Economic Development Parking License Agreement between the City and Federal Home Loan Bank of Des Moines are hereby approved.

4. The Mayor and City Clerk are hereby authorized and directed to execute the Development Agreement and the Economic Development Parking License Agreement on behalf of the City of Des Moines.

5. Upon requisition by the City Manager or the Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant pursuant to Article 5 of the Development Agreement.

6. The City Manager and the Manager's designees are hereby authorized and directed to administer the Development Agreement and Parking License on behalf of the City, and to monitor compliance by the Bank with the terms and conditions of the Agreements. The Economic Development Director is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreements.

(Council Communication No. 17-340)

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				
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