

Date February 19, 2018

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT
WITH 206 6th AVENUE, LLC, FOR THE HISTORIC RENOVATION AND
CONVERSION OF THE MIDLAND BUILDING TO A HOTEL

WHEREAS, on October 9, 2017, by Roll Call No.17-1748, the City Council approved preliminary terms of agreement with 206 6th Avenue, LLC (the "Developer"), a subsidiary of Aparium Hotel Group represented by Mario Tricoci, Manager, for the historic redevelopment of the 12-story Midland Building at 206 6th Avenue for use as a luxury boutique hotel containing approximately 140 rooms and directed the City Manager to proceed with negotiation of a formal agreement consistent with the approved preliminary terms; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with the Developer consistent with the preliminary terms, whereby the Developer has agreed to renovate the Midland Building for use as a luxury boutique hotel containing approximately 140 room in conformance with the proposed Conceptual Development Plan, in consideration of an Economic Development Grant to be paid in semi-annual installments over 30 years, with each of the two installments due in each fiscal year to be equal to one-half of the following percentage of the incremental taxes generated by the taxable value of the building, all as more fully described in the accompanying Council Communication:

Fiscal Years	Biannual Installments	Percentage
1 through 5	1 through 10	100%
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,

WHEREAS, at its meeting on November 14, 2017, voted 5-0 with 1 abstention in support of a motion to recommend approval of the financial assistance to be provided by the City under the Agreement; and,

WHEREAS, at its meeting on February 13, 2018, a consensus of the Urban Design Review Board recommend approval of the design of the project as identified in the proposed Conceptual Development Plan.

Date February 19, 2018

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:
 - a) The Developer's obligations under the Agreement to complete the renovation of the Midland Building for use as a 140 room luxury boutique hotel in conformance with the proposed Conceptual Development Plan 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 employment opportunities and taxable values within the Metro Center Urban Renewal Project Area.
 - 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 renovate the Midland Building will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Metro Urban Renewal Project 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; and (iii) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost.
 - c) The renovation of the Midland Building and the construction and resulting benefits would not occur without the economic incentives provided by the City under the Agreement.
 - d) The renovation of the Midlands Building 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 this Agreement.
2. The Conceptual Development Plan for the renovation of the Midland Building, which is Exhibit "A" to the Agreement, is hereby approved.
3. The Urban Renewal Development Agreement between the City and 206 6th Avenue, LLC, is hereby approved. The Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
4. 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.

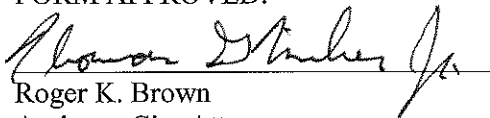
Date February 19, 2018

5. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement.
6. The City Clerk is hereby directed to record the Agreement (exclusive of Exhibit "A").

(Council Communication No. 18- 072)

MOVED by _____ to adopt.

FORM APPROVED:



Roger K. Brown
Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
WESTERGAARD				
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