

Date May 18, 2009

**RESOLUTION APPROVING URBAN RENEWAL
DEVELOPMENT AGREEMENT WITH
ND 25 SW 5TH L.L.C. FOR REDEVELOPMENT
OF PROPERTY AT 328 SW 5TH STREET**

WHEREAS, on March 23, 2009 by Roll Call No. 09-473 the City Council of the City of Des Moines, Iowa approved the preliminary terms of an urban renewal development agreement between the City and ND 25 SW 5th L.L.C. (Developer) for redevelopment of property located at 328 SW 5th Street in Des Moines and directed the City Manager to negotiate a formal agreement with Developer consistent with the preliminary terms; and

WHEREAS, the City Manager and Developer have negotiated an Urban Renewal Development Agreement ("Agreement") which provides that Developer will convert the Hawkeye Transfer Building from warehouse use to 70 market-rate apartments with 57 underground and first floor parking spaces; and

WHEREAS, the Agreement provides that the City shall advance an economic development grant in the total amount of One Million Six Hundred Seventeen Thousand Eight Hundred Eighty Dollars (\$1,617,888.00) payable in ten equal annual installments, the initial installment to be paid to Developer within ten business days after issuance of the Certificate of Completion for the project, but in no event prior to July 1, 2010, and on each anniversary of the initial installment thereafter until the grant is paid in full. The funding source for the grant is the Metro Center Urban Renewal tax increment; and

WHEREAS, the Property is located in the Metro Center Urban Renewal Project Area ("Project Area") and is being developed as a public and private sector initiative to stimulate investment in the surrounding properties in the Project Area; and

WHEREAS, the economic development assistance for the development of the project shall be provided by the City to Developer pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations to construct the Project under the Agreement will generate the following gains and benefits: (i) it will advance the improvement and redevelopment of the area south of Court Avenue in accordance with the Metro Center Urban Renewal Plan; (ii) it will provide housing in decent safe and sanitary conditions in attractive settings to serve employees and others who would like to live in the downtown area; (iii) it will encourage further private investments and will attract and retain residents and businesses in the Court Avenue of the project Metro Center Urban Renewal Project Area to reverse the pattern of disinvestment and declining resident population; and (iv) it will further the City's efforts to create and retain job opportunities within the Project Area which might otherwise be lost; and

WHEREAS, the construction of the Project is a speculative venture and the construction and resulting redevelopment opportunities would not occur without the economic incentives provided by the Agreement; and

WHEREAS, City believes that the redevelopment of the Property pursuant to the Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the

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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; and

WHEREAS, on March 17, 2009, the Urban Design Review Board, by 6-0 vote, recommended approval of the use of tax increment financing assistance for the project.

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

1. The Urban Renewal Development Agreement between the city and Developer, which is on file in the Office of the City Clerk, is hereby approved and the Mayor is hereby authorized and directed to sign the Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature and affix the seal of the City.


2. Upon satisfaction of the conditions for advancement of the economic development grant pursuant to Article 5 of the Agreement and confirmation of same by the City Manager and the Legal Department, the Finance Department is hereby authorized and directed to advance the proceeds of such grant to the Developer in accordance with the terms of the Agreement.

3. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City, to monitor compliance by Developer with the terms and conditions of the Agreement and to forward to the City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Communication No. 09-317)

Moved by Kiernan to adopt.

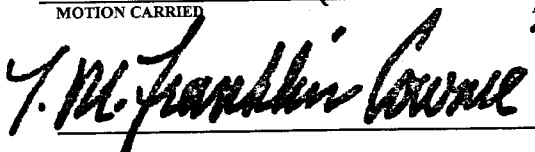
APPROVED AS TO FORM:


 Michael F. Kelley
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				✓
COLEMAN	✓			
HENSLEY	✓			
KIERNAN	✓			
MAHAFFEY	✓			
MEYER	✓			
VLASSIS	✓			
TOTAL	6			1

MOTION CARRIED

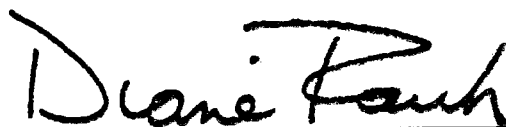
APPROVED


 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