



Roll Call Number

10-042

Agenda Item Number

23

Date January 11, 2010

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT
WITH METRO LOFTS, L.L.C., FOR THE CONSTRUCTION OF AN
APARTMENT BUILDING NORTH OF VINE STREET BETWEEN 2nd
AVENUE AND 3rd STREETS, AND APPROVING PROPOSED CONCEPTUAL
DEVELOPMENT PLAN

WHEREAS, on February 7, 2005, by Roll Call No. 05-352, the City Council approved an Urban Renewal Development Agreement with Lander-Sherman Urban Development LLC ("Lander-Sherman"), whereby Lander-Sherman agreed to construct new condominium buildings to be known as the Metro Lofts, and containing at least 70 residential condominium units and underground parking, upon the property north of Vine Street between 2nd Avenue and 3rd Street, and the City agreed to provide an Economic Development Grant in the amount of \$1.5 million payable in three installments; and,

WHEREAS, the first installment on the Economic Development Grant in the amount of \$500,000 was advanced pursuant to the original Development Agreement; was used to acquire the Property; and is secured by an Interim Mortgage on the Property for the benefit of the City; and,

WHEREAS, Lander-Sherman has assigned all its rights and interest in the original Development Agreement and Property to Metro Lofts LLC, a related company; and,

WHEREAS, George E. Sherman is the President and Chief Manager of both Lander-Sherman and Metro Lofts LLC; and,

WHEREAS, on May 8, 2006, by Roll Call No. 06-910, the City Council gave preliminary approval of an amendment to the original Development Agreement to change the development to a 105 unit apartment building with underground parking and amenities; and,

WHEREAS, Metro Lofts LLC, has now agreed to redevelop the Property with certain Improvements, including an apartment building containing 111 apartments units and underground parking, subject to receipt of the balance of the original Economic Development Grant, all as more specifically described in the revised Urban Renewal Development Agreement and Conceptual Development Plan on file in the office of the City Clerk; and,

WHEREAS, the Developer's obligations under the revised Development Agreement to construct the Improvements 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 taxable values within the Metro Center Urban Renewal Project Area, to encourage the development of affordable and market-rate housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area, to provide a variety of locations to serve the different housing markets

(continued)



Date January 11, 2010

within the Project Area, and to encourage intensive and coordinated commercial and residential mixed-use development; and

WHEREAS, the economic development incentives for the development of the Improvements 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 under the revised Development Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Court Avenue area in accordance with the Metro Center Urban Renewal Plan and the Court Avenue Master Plan; (ii) it will advance the goal of providing a range of affordable and market-rate housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area; (iii) it will encourage further private investment and will attract and retain residents and businesses in the 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 Improvements is a speculative venture and the construction and resulting housing and redevelopment opportunities would not occur without the economic incentives provided by the revised Development Agreement; and,

WHEREAS, City believes that the redevelopment of the Property pursuant to the revised Development Agreement, and the fulfillment generally of such 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 revised Development Agreement.

WHEREAS, on March 17, 2009, the Urban Design Review Board voted to recommend approval of the revised Development Agreement and the Conceptual Development Plan for the Improvements; NOW THEREFORE,

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

1. The revised Urban Renewal Development Agreement between the City and Metro Lofts LLC, which is on file in the office of the City Clerk and provides for Metro Lofts LLC to redevelopment of the Property north of Vine Street between 2nd Avenue and 3rd Street with at least 111 apartment units and underground parking, and for the City to provide an Economic Development Grant in the amount of \$1.5 million payable in three installments, is hereby approved.

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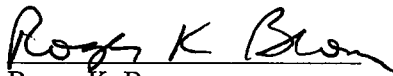
Date January 11, 2010

2. The Mayor is hereby authorized and directed to sign the revised Development Agreement and the associated Amendment to Interim Mortgage on behalf of the City of Des Moines, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on such documents.
3. Upon execution of the revised Development Agreement and Amendment to Interim Mortgage, the City Clerk shall cause such documents to be recorded in the land records of the Polk County Recorder.
4. The Conceptual Development Plan for the Improvements to the Property submitted by the Developer, which is on file and available for public inspection in the office of the City Clerk, is hereby approved pursuant to Article 2 of the revised Development Agreement.
5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the second and third installments on the Economic Development Grant pursuant to Article 5 of the revised Development Agreement.

(Council Communication No. 10- 004)

MOVED by _____ to adopt.

FORM APPROVED:



Roger K. Brown
 Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
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