

★ Roll Call Number

11-1326

Agenda Item Number

48 ✓

Date July 25, 2011

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT
AGREEMENT AND CONCEPTUAL DEVELOPMENT PLAN FOR THE
REDEVELOPMENT OF PROPERTY AT 3801 MERLE HAY ROAD BY
3801 LLC (Rich Eychaner)

WHEREAS, on June 27, 2011, by Roll Call No. 11-1167, the City Council approved preliminary terms of agreement for City assistance to Richard Eychaner for the redevelopment of property at 3801 Merle Hay Road, located at the northeast corner of the intersection of Merle Hay Road and Douglas Avenue, with a new building containing approximately 15,300 square feet for retail use, and with parking and landscape improvements, all at a projected project cost of \$5 million, and the City Council directed the City Manager to negotiate with Richard Eychaner for a formal development agreement consistent with the approved preliminary terms; and,

WHEREAS, on July 11, 2011, by Roll Call No. 11-1252, the City Council gave preliminary approval to the proposed Conceptual Development Plan for the redevelopment of the property at 3801 Merle Hay Road, such approval being limited to the excavation and grading, and the construction of footings and foundations consistent with the proposed Plan, the review and approval of all other elements of the Conceptual Development Plan being deferred until the City Council has received the recommendation of the Urban Design Review Board and has approved the formal development agreement; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement with 3801 LLC, a limited liability company created and controlled by Richard Eychaner, whereby 3801 LLC, has agreed to redevelop the property at 3801 Merle Hay Road with a new building containing approximately 15,300 square feet for retail use, and with parking and landscape improvements as shown by the proposed Conceptual Development Plan at a projected project cost of \$5 million, in consideration of the City providing an Economic Development Grant to be paid in installments over 15 years in an amount equal to 50% of the annual tax increment revenues generated by the incremental value of the project site; and,

WHEREAS, on July 19, 2011, the Urban Design Review Board unanimously voted in support of a motion to recommend approval of the use of tax increment financing to assist the project and to recommend approval of the proposed Conceptual Development Plan; and,

WHEREAS, the City Manager recommends approval of the Conceptual Development Plan and the proposed Urban Renewal Development Agreement as described above, which are on file and available for public 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:

(continued)

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1. The Urban Renewal Development Agreement between the City and 3801 LLC, 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 on such document.
2. The proposed Conceptual Development Plan for the redevelopment of the property at 3801 Merle Hay Road is hereby approved.
3. Upon receipt of the signed Minimum Assessment Agreement from Developer pursuant to Section 302 of the Agreement and approval of the same by the City Legal Department, the Mayor is hereby authorized and directed to sign the Minimum Assessment Agreement 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 document.
4. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City and to monitor compliance by Developer with the terms and conditions of the Agreement and the City Manager is directed to forward to the City Council all matters and documents that require City Council review and approval in accordance with the Agreement.
5. Upon satisfaction of the conditions for advancement of the economic development grant pursuant to Article 4 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.

(Council Communication No. 11- 483)

MOVED by Griess 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	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

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.

7. M. Franklin Council Mayor

Diane Rauh City Clerk