

Date December 19, 2011

RESOLUTION APPROVING AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH WESTGATE PARTNERSHIP, L.L.C., FOR RENOVATION OF THE BUILDING AT 1408 LOCUST STREET

WHEREAS, on January 10, 2011, by Roll Call No. 11-0033, the City Council approved preliminary terms of agreement with Westgate Partnership, L.L.C. (hereinafter "Westgate"), represented by Jack Hatch, officer, for City assistance for the renovation of the Building at 1408 Locust Street, and authorized the City Manager to negotiate a development agreement with Westgate upon terms consistent with the approved preliminary terms; and,

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with Westgate which provides that Westgate shall renovate the existing 30,788 square foot, two story Building, at 1408 Locust Street for commercial office use on the 2nd floor and for commercial and/or retail uses on the 1st floor in conformance with the accompanying Conceptual Development Plan and shall enter into a Minimum Assessment Agreement establishing the minimum actual value for the renovated Building (exclusive of land value) at \$1,909,000; and,

WHEREAS, the Agreement also provides that the City shall advance an economic development grant to Westgate in the amount of \$250,000, payable in ten annual installments of \$25,000.⁰⁰ after completion of the renovation of the Building; and,

WHEREAS, Westgate's obligations under the Agreement to renovate the Building 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 and employment opportunities within the Metro Center Urban Renewal Project Area; and,

WHEREAS, the economic development incentives for the renovation of the Building are provided by the City to Westgate pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Westgate's obligations under the Agreement to renovate the Building will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Metro Center Urban Renewal Project Area in accordance with the Urban Renewal Plan; (ii) it will encourage further private investment to reverse the pattern of disinvestment and declining property values in the surrounding area; and, (iii) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost; and,

WHEREAS, the renovation of the Building is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the Agreement; and,

Date December 19, 2011

-2-

WHEREAS, City believes that the renovation of the 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 Metro Center Urban Renewal Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.

WHEREAS, on February 1, 2011, the Urban Design Review Board approved a motion to recommended approval of the use of tax increment financing assistance for the renovation of the Building as provided in the Agreement, and recommended approval of the accompanying Conceptual Development Plan; and,

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

1. The proposed Conceptual Development Plan for the renovation of the building at 1408 Locust Street is hereby approved.
2. The Urban Renewal Development Agreement between the City and Westgate Partnership, L.L.C., 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. The City Clerk is further authorized and directed to cause the Agreement to be promptly recorded in the office of the Polk County Recorder.
3. Upon receipt of the signed Minimum Assessment Agreement from Westgate pursuant to Section 4.4 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. The City Clerk is further authorized and directed to release the Minimum Assessment Agreement to the Legal Department which shall seek to have the document executed by the Polk County Assessor and recorded in the office of the Polk County Recorder.
4. 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 Westgate in accordance with the terms of the Agreement.

(continued)

★ Roll Call Number

11-2132

Agenda Item Number

32

Date December 19, 2011

-3-

- 5. The City Manager or his designees are hereby authorized and directed to administer the Agreement on behalf of the City; to monitor compliance by Westgate 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. 11- 757)

MOVED by Hensley to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

C:\rog\Eco Dev\Westgate\RC 11-12-19 Approve.doc

Attachments:

"A" - Urban Renewal Development Agreement

"B" - Conceptual Development Plan

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GRIESS	✓			
HENSLEY	✓			
MAHAFFEY	✓			
MEYER	✓			
MOORE	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T. M. Franklin Council 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.

Diane Rauh City Clerk