

★ Roll Call Number

13-1048

Agenda Item Number

56A

Date June 24, 2013

RESOLUTION APPROVING URBAN RENEWAL AGREEMENT  
FOR SALE OF LAND FOR PRIVATE DEVELOPMENT TO  
425 EAST GRAND, LLC TO DEVELOP DISPOSITION PARCEL NO. 02-02A  
(425 E. GRAND AVENUE) IN METRO CENTER URBAN RENEWAL PROJECT

WHEREAS, on March 30, 2000 by Roll Call Nos. 00-788 and 00-789, the City Council of the City of Des Moines approved the Urban Renewal Plan for the Metro Center Urban Renewal Project (hereinafter referred to as "Plan"); and

WHEREAS, 425 East Grand, LLC, an Iowa limited liability company, ("Developer") has presented to the City a developer-initiated proposal ("Proposal") to purchase and redevelop Disposition Parcel 02-02A, 425 E. Grand Avenue, located south of East Grand Avenue and west of East Fifth Street ("Property"), which Proposal is on file in the Office of the City Clerk; and

WHEREAS, the Proposal and the proposed Urban Renewal Agreement for Sale of Land for Private Redevelopment ("Development Agreement") incorporated therein, executed by the Developer, proposes that Developer take title to the Property for relocation of a two-story row house building on a new basement foundation and construction of a two-story building addition devoted for commercial retail, office or restaurant uses; and

WHEREAS, by Roll Call No. 13-0833, dated May 20, 2013, the City Council accepted the Proposal and authorized publication of notice of intent to enter into the Development Agreement at public hearing if no competing proposals were received by the City by June 21, 2013; and

WHEREAS, the public notice was published in the Des Moines Register on May 22, 2013; and

WHEREAS, the City received no competing proposals for the purchase and development of the Property; and

WHEREAS, the development of the Property, according to the terms of the Development Agreement, furthers the objectives of the 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 Urban Renewal Project area, to support the maintenance and rehabilitation of sound existing structures and the preservation of properties of architectural and historic merit, to encourage intensive and coordinated the mixed-use development of commercial and residential improvements, to provide for the orderly expansion of downtown Des Moines as a retail, financial and business center of the metropolitan area, and to encourage the coordinated development of parcels and structures to achieve efficient building design; and

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WHEREAS, the economic development incentives for the proposed development to 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 Development Agreement to relocate and construct the development will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the East Village area in accordance with the Plan; (ii) it will encourage further private investment and will attract and retain residents and businesses in the Urban Renewal Project area to reverse the pattern of disinvestment and declining resident population; and, (iii) it will further the City's efforts to create and retain job opportunities within the Urban Renewal Project area which might otherwise be lost; and,

WHEREAS, the relocation and construction of the proposed development is a speculative venture and the public gains and benefits from the relocation and construction and resulting commercial space and development opportunities would not occur without the proposed economic incentives provided under the terms and conditions of the Development Agreement and the public gains and benefits are warranted in comparison to the amount of economic incentives; and,

WHEREAS, City believes that the proposed development of the Property pursuant to the Proposal and Development Agreement, and the approval of and fulfillment generally of the terms and conditions of the Development 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 \$225,000 economic development grant assistance set forth in the Development Agreement; and

WHEREAS, the City Council has determined that the purchase price of \$180,000 for the Property meets the fair market value thereof for uses in accordance with the Plan taking into account the restrictions upon the Property and the covenants, conditions and obligations assumed by the Developer for relocation of a two-story row house building on a new basement foundation and construction of a two-story building addition devoted for commercial retail, office or restaurant uses in accordance with the terms of the Development Agreement; and

WHEREAS, in accordance with the published notice, those interested in the Proposal and the sale of the Property to Developer in accordance with the terms and conditions of the Development Agreement, have been given an opportunity to be heard with respect thereto and have presented their views to the City Council; and

WHEREAS, this Council believes the acceptance of the Proposal and sale of the Property to Developer according to the terms and conditions set out in the Development Agreement are in the best interests of the City of Des Moines, Iowa, and in furtherance of the purposes of Iowa Code Chapter 403.

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

1. Upon due consideration of the facts and statements of interested persons, the hearing is hereby closed and it is determined the Urban Renewal Agreement for Sale of Land for Private Development between the City of Des Moines and 425 East Grand, LLC for the sale and development of the Property and the provision of economic development grant assistance is in the public interest of the citizens of the City of Des Moines and in furtherance of the Plan, and is hereby approved.

2. The Mayor is authorized and directed to execute the Development Agreement on behalf of the City and the City Clerk is authorized and directed to attest to said signature and to affix the seal of the City.

3. The City Clerk is hereby authorized and directed to submit the Development Agreement to the County Recorder of Polk County, Iowa, for filing and recording in the manner provided by law.

4. The City Manager or his designees are hereby directed to administer the terms of the Development Agreement on behalf of the City; monitor compliance by Developer with terms of the Development Agreement; review and determine if satisfactory Developer commitments for adequate financing to complete construction of the improvements; review the conceptual development plan and make appropriate recommendations on the plan to the City Council prior to conveyance of the Property.

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5. Upon determination by the City Manager and Legal Department that Developer has satisfied the conditions for payment of economic development grant installments set forth in the Development Agreement, the Finance Director is authorized to pay said installments to Developer on the dates set forth in the Development Agreement.

(Council Letter No. 13- 339 Attached)

APPROVED AS TO FORM:

Moved by Meyer to adopt.



Lawrence R. McDowell  
Deputy City Attorney

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

MOTION CARRIED

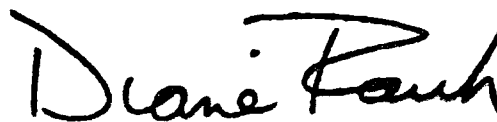
APPROVED

T. M. Franklin 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