

Date October 12, 2015

**RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT
WITH CONFLUENCE ON THIRD LLC FOR MULTI-FAMILY RESIDENTIAL HOUSING
PROJECT AT 123 SW 3RD STREET AND 106 AND 112 SW 2ND STREET**

WHEREAS, on June 22, 2015, by Roll Call No. 15-1089, the City Council received and filed Council Communication No. 15-325, setting forth the proposed development of the properties and adjoining alleys located at 123 SW 3rd Street and 106 and 112 SW 2nd Street (collectively "Property"), and directing the City Manager to work with Roers Investments regarding design and financial proposals to facilitate a proposed market-rate multi-family housing project; and

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the "Agreement") with Confluence on Third, LLC ("Developer"), successor to Roers Investments, whereby Developer has agreed to construct a four-story multi-family residential building on the Property, including at least approximately 211 units of finished residentially assessed living units and approximately 187 on-site, underground parking spaces (collectively "Improvements"), which total project cost is estimated at \$40,000,000.00; and

WHEREAS, the proposed Agreement further provides that in consideration of the undertakings by Developer, the City shall provide economic development assistance in the form of (1) a forgivable economic development loan in the amount of \$280,000.00, which shall be forgiven if Developer constructs the proposed Improvements and qualifies for issuance of a certificate of completion pursuant to the Agreement; and (2) either tax abatement in the amount of one-hundred percent (100%) of actual taxable value for a period of ten (10) years, or, in the event that said form of tax abatement is not available to the Developer, an economic development grant payable in 20 semi-annual installments commencing on November 15, 2018, with each installment to be in an amount equal to 100% of the incremental taxes generated by the redevelopment of the Property, excluding tax levy and taxes generated by the Downtown Des Moines Self-Supported Municipal Improvement District and land value; and

WHEREAS, the proposed Agreement is on file and available for inspection in the office of the City Clerk; and

WHEREAS, at its meeting on September 15, 2015, the members of the Urban Design Review Board voted 8-0 in support of a motion to recommend approval of the level of financial assistance as proposed and 8-0 in support of a motion to recommend approval of the final project design as set forth in the Conceptual Development Plan attached to the Agreement.

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

1. The City Council hereby makes the following findings in support of the proposed Agreement with Confluence on Third LLC ("Developer"):
 - a. Developer's obligations under the 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 and employment opportunities within the Urban Renewal Project Area.
 - b. The economic development incentives for the development of the Improvements are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will provide a range of 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;



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- (ii) it will encourage further private investment and will attract and retain residents and businesses in the downtown area of the City of Des Moines to reverse the pattern of disinvestment and declining resident population; (iii) it will further the City's efforts to create and retain job opportunities within the downtown area that might otherwise be lost; and (iv) it will advance the improvement and redevelopment of the downtown area, in accordance with the Urban Renewal Plan.
 - c. 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 this Agreement.
 - d. The development of the Property 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 project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.
2. The Urban Renewal Development Agreement between the City and Confluence on Third LLC, including the Conceptual Development Plan attached thereto, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
 3. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 5 of the Urban Renewal Development Agreement.
 4. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement on behalf of the City and to monitor compliance by the Developer with the terms and conditions of said Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with said Agreement.

(Council Communication No. 15-552)

APPROVED AS TO FORM:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

Moved by *Hensley* to adopt.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MAHAFFEY	✓			
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.

Diane Rauh City Clerk