



Roll Call Number

17-1787

Agenda Item Number

56A

Date October 9, 2017

RESOLUTION AUTHORIZING ADVANCEMENT OF COSTS FOR AN
URBAN RENEWAL PROJECT IN THE METRO CENTER URBAN RENEWAL AREA
AND CERTIFICATION OF EXPENSES INCURRED BY THE CITY
FOR PAYMENT UNDER IOWA CODE SECTION 403.19

WHEREAS, the City of Des Moines has adopted the Urban Renewal Plan for the Metro Center Urban Renewal Area, as amended by the Twenty-first Amendment thereto (the "Plan") for the purpose of undertaking urban renewal projects including the project described as the provision of financial assistance for the single and multiple-family urban residential neighborhood redevelopment west of SW 11th Street and north of the Raccoon River known as Gray's Station, (the "Project") within the Metro Center Urban Renewal Area; and

WHEREAS, the Urban Renewal Development Agreement between the City and Hubbell Realty Company for the Project approved by the City Council on August 14, 2017 by Roll Call No. 17-1408 and the description for the Project contained in the Plan provides for the initial disbursement of an economic development grant in the amount of \$1,000,000 and the City intends to advance the costs of such initial disbursement of the grant from the separate sub-fund of the City general fund, and thereafter reimburse said sub-fund with tax increment; and

WHEREAS, it is the intention of the City to certify the amount of funds advanced for reimbursement under Iowa Code Section 403.19 before December 1, 2017; and

WHEREAS, the amount of funds to be advanced for the Project is \$1,000,000.

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

1. Pursuant to Ordinance No. 15,554 there has been established a special tax increment fund for the Metro Center Urban Renewal Area (the "Tax Increment Fund"), into which all incremental property taxes received from the Metro Center Urban Renewal Area, as amended, are deposited. The City Council hereby finds the Project to be an urban renewal project as defined in Iowa Code Chapter 403, and further finds that said Project is included in the Plan for the Metro Center Urban Renewal Area.

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2. It is hereby directed that the sum of \$1,000,000 be advanced for the Project from the sub-fund of the City general fund in order to pay for the initial disbursement of the economic development grant for the Project. The advancement shall be treated as an internal loan (the "Loan") from the sub-fund of the City general fund and the sub-fund of the City general fund together with interest at the rate of 3%, which represents the reasonable loss of use and investment for the advanced funds, shall be reimbursed from the Tax Increment Fund.
3. The Project costs incurred for the initial disbursement of the economic development grant for the Project are approved, to be advanced as described as in paragraph 2 above.
4. Certification for reimbursement of the advance under Iowa Code Section 403.19 shall be made by the City Council on or before December 1, 2017.

Moved by Gatto to adopt.

FORM APPROVED:

Lawrence R. McDowell
Deputy City Attorney

(Council Communication No. 17-737)

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
HENSLEY	✓			
MOORE	✓			
WESTERGAARD	✓			
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