



Roll Call Number

18-1909

Agenda Item Number

22

Date November 19, 2018

**RESOLUTION SCHEDULING HEARING ON THREE-PARTY AGREEMENT
WITH RIVER POINT WEST LLC AND HRC NFS I, LLC, WHICH PROVIDES
FOR THE SALE OF CITY-OWNED LAND TO RIVER POINT WEST LLC**

WHEREAS, on August 24, 2015, by Roll Call No. 15-1463, the City Council approved the *Second Amended and Restated Urban Renewal Development Agreement* with River Point West LLC (hereinafter "RPW"), represented by George Sherman, Manager, whereby RPW has undertaken the acquisition, clearance, and redevelopment of an area now known as "Gray's Landing" and bounded on the north by Martin Luther King, Jr. Parkway, on the east by SW 9th Street, on the west by the Mid-American Energy electrical substation, and on the south by Tuttle Street and the western extension of Tuttle Street west of SW 11th Street, and by Murphy Street east of SW 11th Street; and,

WHEREAS, on August 14, 2017, by Roll Call No. 17-1408, the City Council approved an *Urban Renewal Development Agreement* with HRC NFS I, LLC (hereinafter "HRC"), a subsidiary of Hubbell Realty Company, represented by Rick Tollakson, whereby HRC has undertaken to redevelop property it owns located west and south of the Gray's Landing Project and known as "Gray's Station"; and,

WHEREAS, the City's Office of Economic Development has negotiated a Three-Party Agreement with RPW and HRC for the exchange of parcels between the City, RPW and HRC, to facilitate the extension of Tuttle Street, Murphy Street and DART Way westward from SW 11th Street through the Gray's Landing and Gray's Station projects; and,

WHEREAS, the Three-Party Agreement specifically provides for the City to convey a portion of the real estate the City is acquiring from the Des Moines Regional Transit Authority located northwest of the intersection of SW 11th Street and DART Way and more specifically described in the accompanying Exhibit "A" (the "Property"), to RPW in exchange for land that RPW is conveying to the City for the western extension of Tuttle Street, Murphy Street and DART Way and the construction of a detention basin north of the western extension of DART Way; and,

WHEREAS, it is necessary and appropriate that City Council take certain actions in accordance with Iowa Code Section 403.8 in order to receive the proposed Three-Party Agreement and give full and fair opportunity for other potential developers to submit competing proposals for the redevelopment of the City-owned Property; and

WHEREAS, the City Council believes it is in the best interests of the City of Des Moines to consider the proposed Three-Party Agreement from the Developer and any competing proposals for the purchase and redevelopment of the Property in accordance with the procedures identified below.

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

(continued)



Roll Call Number

18-1909

Agenda Item Number

22

-2-

Date November 19, 2018

1. The proposed Three-Party Agreement is hereby received and filed, and shall be available for public inspection in the office of the City Clerk.
2. Any interested party (hereinafter referred to as an "Applicant") may submit a competing proposal for the acquisition and redevelopment of the Property described in the accompanying Exhibit "A" in accordance with the following procedures:
 - A. The Property, and any adjoining land into which it may be assembled, may be used for any use allowed by the current C-3B Central Business Mixed Use District regulations.
 - B. All proposals for the redevelopment of the Property shall:
 - 1) Provide a detailed description of the proposed development,
 - 2) Provide a proposed form of an *Urban Renewal Agreement for Sale of Land for Private Redevelopment* tailored to the Applicant's proposal.
 - 3) Provide documentation of the Applicant's experience completing comparable development projects and documentation of the Applicant's and its management team's experience managing similar projects over a long term.
 - 4) Provide evidence of the Applicant's financial capacity to complete its proposal, including a complete financing plan identifying proposed sources and uses of funds and a cash flow analysis that shows projected revenues and expenses with all underlying assumptions.
 - 5) Provide letters of support or commitments for the project from equity and lending sources.
 - 6) Be in substantial conformity with the provisions of this resolution.
 - C. It is hereby determined that a minimum purchase price for the Property is \$36,900, to be paid in cash or by the exchange of real estate needed for City purposes and having an equivalent or greater value.
 - D. The City Council hereby declares its intent to make available financial incentives in a form and amount acceptable to the City Council to encourage quality development. The financial incentives may include:
 - 1) A temporary exemption from taxation (tax abatement) pursuant to the City-wide Urban Revitalization Plan.
 - 2) Economic development grants to be paid in installments from the proceeds of the purchase price and/or from project generated tax increment.
 - 3) Assistance in seeking additional funding and financial assistance from other sources.
 - E. All inquiries regarding the terms and conditions of this competitive bid process must be submitted to the Office of Economic Development, City Hall, 400 Robert D. Ray Drive,

(continued)



Roll Call Number

18-1909

Agenda Item Number

22

-3-

Date November 19, 2018

Des Moines, Iowa, 50309. All interested potential developers are invited to contact the Office of Economic Development to discuss the types and levels of economic incentives that are available and acceptable to the City.

- F. Written proposals for the purchase and development of said Property must be received by the Office of Economic Development on or before 1:00 p.m., on December 27, 2018. Each proposal shall be opened and reviewed by the City staff after such deadline.
 - G. If a responsive competing proposal is received, the following Selection Criteria shall be applied to judge the relative merits of the proposals:
 - 1) The extent to which the project will advance and encourage further private investment to advance the redevelopment of the River Point West Area in conformance with the Metro Center Urban Renewal Plan and the City's comprehensive plan.
 - 2) The potential return on investment to the City over a 20-year period from the project and from further private investments anticipated to be attracted by the project.
 - 3) The extent to which the Applicant has demonstrated the experience and capacity to successfully complete its plans for the redevelopment of the Property.
 - H. If a responsive competing proposal is timely received, the proposed Three-Party Agreement and the responsive competing proposals shall be presented to the Urban Design Review Board at a meeting on January 8th, at 7:30 a.m. in the Richard A. Clark Municipal Service Center. The Board will be asked to apply the Selection Criteria to judge the relative merits of the proposals, and to make a report and recommendation to the City Council.
 - I. The City Council will hold a public hearing on January 14, 2019, at 5:00 p.m. in the Council Chambers at City Hall to consider approval of the Three-Party Agreement or any responsive competing proposal.
 - J. If any responsive competing proposals are timely received, the City Council hereby declares its intent to select a developer for the sale and redevelopment of the Property consistent with the Selection Criteria identified above, at the conclusion of the public hearing on January 14th. If the Agreement submitted by the selected developer is not then in a form acceptable to the City Council, the City Council may schedule a later public hearing to consider approval of the Agreement after further negotiations with the selected developer.
3. The City Clerk is hereby authorized and directed to cause the accompanying notice of the competitive bid process and the City's intent to enter into an urban renewal agreement for the sale and redevelopment of the Property to be published in the Des Moines Register on November 22, 2018.

(continued)



Roll Call Number

18-1909

Agenda Item Number

22

-4-

Date November 19, 2018

4. The competitive bid process set forth in this resolution is hereby determined to comply with the provisions of Iowa Code Section Chapter 403.8(2), requiring "reasonable competitive bidding procedures" for the sale of the Property. This competitive bid process is hereby determined to be the appropriate method for making the Property available for redevelopment in accordance with the Metro Center Urban Renewal Plan.

MOVED by Gatto to adopt.

(Council Communication No. 18-607)

FORM APPROVED:

Roger K. Brown

Roger K. Brown, Assistant City Attorney

G:\APPDATA\LEGAL\Urban-Renewal\Metro\Projects\Riverpoint\Dev Agr\3rd A&R Agr\3-Party Agr\RC Set Hrg on 3-Party Agr.doc

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
COLEMAN	✓			
GATTO	✓			
GRAY	✓			
MANDELBAUM	✓			
WESTERGAARD	✓			
TOTAL	7			

MOTION CARRIED

APPROVED

T.M. Frankhu Cownie
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