



Roll Call Number

20-0914

Agenda Item Number

33

Date June 8, 2020

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL ECONOMIC DEVELOPMENT AGREEMENT WITH THE DISTRICT DEVELOPERS, LLC, FOR THE PHASED, MASTER PLANNED REDEVELOPMENT OF 11 BLOCKS OF PROPERTY WITHIN THE MARKET DISTRICT, INCLUDING THE SALE AND REDEVELOPMENT OF CITY-OWNED PROPERTY.

WHEREAS, District Developers, LLC (Paul Hayes, Managing Member, 350 E. Locust Street, Suite 309 Des Moines, IA 50309) (the "Developer"), a consortium consisting of JSC Properties and MidAmerican Energy proposes to develop an 11-block area of property within the Market District that would include a mix of residential, office, hotel, retail and entertainment venues and includes approximately six blocks of property owned by the City; and,

WHEREAS, the Developer proposes to be the master developer for the area and will, in coordination with the City prepare the properties for redevelopment by demolishing the existing buildings, conducting necessary environmental remediation reconstructing some public streets and utilities. In addition, the Developer will coordinate with other developers and to invest in the specific development of individual sites within the area; and,

WHEREAS, the project cost to the Developer for preparing parcels for development is anticipated to exceed \$30,000,000.00; and,

WHEREAS, the Developer will participate in Mid-American Energy's Commercial New Construction Energy Efficiency Program, with individual parcel development agreements determining the percentage of energy performance above the energy code that is feasible for each parcel; and,

WHEREAS, developer proposes to purchase the City-owned real estate as required by Iowa law and at appraised value taking into consideration the costs for demolition and environmental remediation; and,

WHEREAS, the proposed terms are for incentives consisting of project generated tax increment on the building valuations, exclusive of land, of 90% for a 20-year term; and,

WHEREAS, the Developer has provided the Office of Economic Development with a financial analysis of the project, indicating a gap between actual project costs and the project appraisal and seeks a financial assistance package to be provided from project generated tax increment and tax abatement as more specifically described in the accompanying Council Communication.

(Continued)



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WHEREAS, the proposed development is proposed to be consistent with the master plan for the Market District of the East Village adopted by the Des Moines City Council on November 4, 2019 in Roll Call Number 19-1761 (the "Master Plan"); and,

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

- 1. The City Council hereby approves the preliminary terms of agreement as set forth in the accompanying Council Communication.
2. Directs the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council.
3. Directs the City Manager or his designee to submit to the Council a reasonable competitive bidding process for the sale and redevelopment of the City-owned Property for approval, at the same time he submits a proposed final agreement, for acceptance and potential approval following the approved process. The Council hereby notifies potentially interested parties that they may contact the City Manager to express any interest in the acquisition of the City-owned real estate prior to the process for approval of a final agreement.

MOVED by Gatto to adopt. (Council Communication No. 20- 261)

FORM APPROVED: /s/ Thomas G. Fisher Jr. Thomas G. Fisher Jr. Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include COWNIE, BOESEN, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, and TOTAL (7).

CERTIFICATE I, P. Kay Cmelik, 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.

MOTION CARRIED APPROVED J. M. Franklin Cownie Mayor

P. Kay Cmelik City Clerk