

Date June 19, 2006

RESOLUTION APPROVING AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH LB PROPERTIES X, LLC FOR DEVELOPMENT OF DAVIS BROWN TOWER

WHEREAS, on April 24, 2006, by Roll Call No. 06-852, the City Council of the City of Des Moines gave preliminary approval of tax increment financing assistance to LB Properties X, LLC (“Developer”) for the redevelopment of the Hotel Fort Des Moines parking ramp site at 215 10th Street (“Property”); and

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (“Agreement”) with Developer which provides that Developer shall undertake construction of at least 25,000 square feet of retail space, 110,000 square feet of office space, and 680 structured parking spaces on the Property (herein collectively called the “Project”); and

WHEREAS, the Agreement provides that the City shall advance an economic development grant payable in thirty (30) semi-annual installments equal to 100% of the ad-valorem taxes for each of the first twenty (20) installments and 50% of the ad-valorem taxes for each of the last ten (10) installments; and

WHEREAS, the Property is located in the Metro Center Urban Renewal Project Area (“Project Area”) and is being developed as a public and private sector initiative to stimulate investment in the surrounding properties in the Project Area; and

WHEREAS, the economic development assistance for the development of the Project shall 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 to construct the Project under the Agreement will generate the following gains and benefits: (i) it will advance the improvement and redevelopment of the area south of the Western Gateway in accordance with the Metro Center Urban Renewal Plan and the Western Gateway Area Goals and Guiding Principles; (ii) it will provide additional employment opportunities for the residents of the City of Des Moines and surrounding communities; and, (iii) it will encourage further private investment and will attract and retain residents and businesses in the Project Area to reverse the pattern of disinvestment and declining resident population; and

WHEREAS, the construction of the Project is a speculative venture and the construction and resulting redevelopment opportunities would not occur without the economic incentives provided by the Agreement; and,

(Continued on Page 2)

Date June 19, 2006

WHEREAS, City believes that the redevelopment of the Property pursuant to the Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of the 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; and

WHEREAS, on June 6, 2006, the Urban Design Review Board, by 6-0 vote, recommended approval of the use of tax increment financing assistance for the project; and

WHEREAS, on June 1, 2006, the City Plan and Zoning Commission voted 11-0 in support of a motion to recommend approved of a request from Principiant Hotel Company, L.C. (owner), represented by Jeffrey Hunter (officer), for vacation and conveyance of the north/south alley between 9th Street and 10th Street from Walnut Street to Mulberry Street subject to the following conditions:

1. Exclusion of the northern portion of the alley for the skywalk system.
2. Reservation of easements for all existing utilities.
3. Submission of a site plan in accordance with the City's Site Plan and Landscaping Policies.

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

1. The Urban Renewal Development Agreement between the City and Developer, which is on file in the Office of the City Clerk, is hereby approved and the Mayor is hereby authorized and directed to sign the Agreement on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature and affix the seal of the City.

2. Upon satisfaction of the conditions for advancement of the economic development grant pursuant to Article 5 of the Agreement and confirmation of same by the City Manager and the Legal Department, the Finance Department is hereby authorized and directed to advance the proceeds of such grant to the Developer in accordance with the terms of the Agreement.

61 C

Date June 19, 2006

3. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City, including the filing of the Agreement in the Office of the Polk County Recorder, and to monitor compliance by Developer with the terms and conditions of the Agreement and the City Manager is directed to forward to the City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

4. Upon receipt of the signed Skywalk Agreement from Developer pursuant to Section 107 of the Agreement and approval of the same by the City Legal Department, the Mayor is hereby authorized and directed to sign the Skywalk Agreement on behalf of the City of Des Moines, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.

5. Upon receipt of the signed Minimum Assessment Agreement from Developer pursuant to Section 404 of the Agreement and approval of the same by the City Legal Department, the Mayor is hereby authorized and directed to sign the Minimum Assessment Agreement on behalf of the City of Des Moines, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature.

Moved by _____ to adopt.

APPROVED AS TO FORM:



Roger K. Brown
Assistant City Attorney

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(Council Communication No. 06-374)

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BROOKS				
COLEMAN				
HENSLEY				
MAHAFFEY				
KIERNAN				
VLASSIS				
TOTAL				

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.

MOTION CARRIED

APPROVED

.....Mayor

..... City Clerk