

Date..... August 7, 2006

Resolution Approving Section 108 Loan Guarantee Application and Amended Brownfield Economic Development Initiative (BEDI) Grant Application for Redevelopment of Riverpoint West.

WHEREAS, on October 24, 2005, by Roll Call No. 05-2603, the City Council approved the Preliminary Terms of Agreement for redevelopment of the Riverpoint West Area with River Point West, LLC, an affiliate of Sherman Associates, Inc. (George Sherman, President); and,

WHEREAS, subject to receipt of the public assistance identified below, River Point West, LLC intends to redevelop the Riverpoint West Area located south of Martin Luther King Jr. Parkway and west of SW 9th Street with 642 townhomes/condominiums, 384,000 square feet of commercial space and other improvements with an estimated market value of \$165 million and a six-year build-out; and,

WHEREAS, under the terms of the Preliminary Agreement the City undertook to contract for professional services with a consultant to assist the City in analyzing the structure of the deal, identifying other financing options, and preparing a U.S. Department of Housing and Urban Development (HUD) Section 108 Loan application and amended Brownfields Economic Development Initiative (BEDI) application to partially fund the public assistance to the project; and,

WHEREAS, the City staff, with assistance from a consultant from the National Development Council, has prepared applications for a Section 108 loan in the amount of \$17.5 million, and to re-program an existing Brownfield Economic Development Initiative (BEDI) grant in the amount of \$2 million to assist in the commercial redevelopment of the Riverpoint West Area; and,

WHEREAS, the Section 108 loan funds will be used primarily for land acquisition, environmental remediation, geo-technical work and infrastructure installation, and the BEDI grant will fund a debt service reserve account to repay the Section 108 loan during the first five years of the loan term following a two-year draw down period; and,

WHEREAS, the City Manager recommends that the City Council approve the Section 108 loan and BEDI grant applications, with final approval and acceptance of the loan and grant to be subject to reaching an acceptable final development agreement with River Point West, LLC; NOW THEREFORE,

(continued)

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

1. The applications on file in the office of the City Clerk for a \$17.5 million U.S. Department of Housing and Urban Development (HUD) Section 108 loan and to re-program an existing \$2 million Brownfield Economic Development Initiative (BEDI) grant to assist in the commercial redevelopment of the Riverpoint West Area are hereby approved.
2. The Mayor is hereby authorized and directed to sign the two applications identified above and the associated certifications and attachments with such minor changes as may be recommended by the City Manager and approved by the Legal Department, on behalf of the City of Des Moines, and the City Clerk is hereby authorized and directed to attest to the Mayor's signature on such documents as appropriate. The Mayor is further authorized to act in connection with the applications to provide such additional information and certifications as may be required for the applications and approved by the City Manager and Legal Department.
3. The Office of Economic Development shall forward the signed applications and the associated certifications and attachments to the U.S. Department of Housing and Urban Development.
4. The final approval and acceptance of the Section 108 loan and BEDI grant shall be considered by the City Council after a final development agreement has been negotiated with River Point West, LLC, for the redevelopment of the Riverpoint West Area.

(Council Communication No. 06- 484)

MOVED by _____ to adopt.

FORM APPROVED:

Roger K. Brown
 Roger K. Brown, Assistant City Attorney
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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BROOKS				
COLEMAN				
HENSLEY				
MAHAFFEY				
KIERNAN				
VLASSIS				
TOTAL				

MOTION CARRIED APPROVED

 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

NEIGHBORHOOD REVITALIZATION BOARD

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May 4, 2006

Mr. Frank Cownie, Mayor and
City Council Members
400 Robert D. Ray Drive
Des Moines, Iowa 50309

The Neighborhood Revitalization Board (NRB) at their May 3, 2006 meeting approved the City's River Point Section 108 Loan application. The NRB is supportive of the creation of jobs and is pleased that the City is not using its CDBG allocation to repay this loan.

The Board also commented that even though the Riverpoint West project consists solely of market-rate residential units, they would like to encourage the development of affordable housing in the area if the return on investment to the tax base and to the developers will allow it.

It is the NRB's concern that these funds are being used to create retail and office jobs who will provide salaries that these workers could benefit from and having the choice of affordable housing within walking distance from their place of work.

I would like to thank the City Council for the opportunity to comment on this matter.

Sincerely,



Frank Affannato
Chair of the Neighborhood Revitalization Board