

Date June 23, 2014

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH LOCUST STREET INVESTMENTS, L.L.C. FOR THE REDEVELOPMENT OF PROPERTY AT 1420, 1424 AND 1430 LOCUST STREET, AND APPROVING PROPOSED CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the “Agreement”) with Locust Street Investments, L.L.C. (“Locust Street”), represented by Chad Rasmussen, whereby Locust Street has agreed to redevelop and restore the existing two-story historic buildings and lot at 1420, 1424 and 1430 Locust Street (“Property”), which total project cost is estimated at \$8.4 million, and to undertake the following Improvements in conformance with the proposed Conceptual Development Plan:

- Redevelopment by the restoration and adaptive reuse of the existing two-story historic buildings as follows: Additional exterior and interior demolition; removal of all remaining mechanical and electrical systems and distribution; exterior building restoration; construction of means of egress system, MEP and fire suppression systems, new windows and doors, and structural modifications, for use as leased office space on second floors and leased office space, restaurant or retail on the ground floors;
- Redevelopment of the parking area by the infill, grading and construction of a concrete surface parking lot and/or patio space, with landscaping in conformance with the approved site plan or Conceptual Development Plan, whichever imposes a higher standard; and
- The improvements to the building and Property shall be designed and constructed for restoration to Secretary of Interior building rehabilitation standards to allow for placement on the National Register of Historic Places; and

WHEREAS, the proposed Agreement further provides that in consideration of the undertakings by Locust Street, the City shall provide an economic development grant payable in 10 annual installments commencing on December 1, 2016, with each installment to be in an amount equal to 75% of the incremental taxes generated by the redevelopment of the Property, excluding tax levy and taxes generated by the Downtown Des Moines Self-Supported Municipal Improvement District; and

WHEREAS, the proposed Agreement and Conceptual Development Plan are on file and available for inspection in the office of the City Clerk; and

WHEREAS, at its meeting on March 25, 2014, the members of the Urban Design Review Board voted 6-0 in support of a motion to recommend approval of the level of financial assistance as originally proposed, and thereafter on June 17, 2014, the members of the Urban Design Review Board voted 6-0 in support of a motion to recommend approval of the final project design as reflected in the proposed Conceptual Development Plan.

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

1. The City Council hereby makes the following findings in support of the proposed Agreement with Locust Street Investments, L.L.C.:

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- a. Locust Street's obligations under the Agreement to construct the Improvements furthers the objectives of the Metro Center Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents, and maintain taxable values and employment opportunities within the Urban Renewal Project Area.
 - b. The economic development incentives for the development of the Improvements are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Locust Street's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan; (ii) it will encourage further private investment to reverse the pattern of disinvestment and declining property values in the surrounding area; and, (iii) it will further the City's efforts to retain and create job opportunities within the Project Area which might otherwise be lost.
 - c. The construction of the Improvements is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by this Agreement.
 - d. The redevelopment of the Property pursuant to the Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of 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.
2. The Conceptual Development Plan, which is Exhibit "B" to the Development Agreement, is hereby approved.
 3. The Urban Renewal Development Agreement between the City and Locust Street Investments, L.L.C., is hereby approved.
 4. The Mayor and City Clerk and hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.
 5. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Grant pursuant to Article 4 of the Agreement.
 6. The City Manager or his designees are hereby authorized and directed to administer the Urban Renewal Development Agreement on behalf of the City and to monitor compliance by the Developer with the terms and conditions of the Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

★ Roll Call Number

Agenda Item Number

59

Date June 23, 2014

(Council Communication No. H-309)

Moved by _____ to adopt.

APPROVED AS TO FORM:

Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GATTO				
GRAY				
HENSLEY				
MAHAFFEY				
MOORE				
TOTAL				
MOTION CARRIED	APPROVED			

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.

Mayor

City Clerk