

**BUSINESS OF THE CITY COUNCIL
WINDSOR HEIGHTS, IOWA
AGENDA STATEMENT**

Item No. 10
For Meeting of 12.07.09

ITEM TITLE: Consideration of Resolution approving an Economic Development Grant to Grale, LLC for redevelopment of 6733 University Avenue

CONTACT PERSON: Marketa George Oliver, City Administrator

SUMMARY EXPLANATION


The attached resolution approves an economic development grant for Grale, LLC. Grale, LLC is comprised of Kris Gregersen and Matt Cale, who are currently business owners in Windsor Heights. These two Windsor Heights' business owners have been looking to purchase and renovate a building to relocate their businesses. Their preferred location is to remain in Windsor Heights, retaining jobs and creating commercial value here. In order to accomplish this, it is necessary to redevelop a property. The City Council, recognizing that redeveloping is much more difficult and expensive than developing, adopted an economic development grant program in 2004, to assist with job retention and creation.

The Community Development Committee has reviewed the grant application and recommends a \$120,000 grant be given with the following requirements:

1. The developers retain/create a minimum of five full-time equivalent jobs in Windsor Heights and
2. The developers agreement to a minimum assessment of \$476,000 for a period of not less than 12 years.

The Committee also recommends approval of waiving permit fees for the project (similar to what is done for housing rehabilitation projects done through the City's housing rehabilitation program) and conduct the demolition of the house and parking lot through in-kind services. (Public Works plans to recycle the broken up concrete from the parking lot.) Finally, it is necessary for the project to tap into a stormwater line under the street and the City would repair the street following the connection.

The funding mechanism for this grant is to take the money from the City's reserves and to repay it from the TIF fund.

<input checked="" type="checkbox"/> Resolution _____ Ordinance _____ Contract _____ Other (Specify) _____
Funding Source <u>reserves to be repaid by TIF</u>
APPROVED FOR SUBMITTAL _____  City Administrator

COMMITTEE/STAFF RECOMMENDATION: Pass resolution on a roll call vote.

COUNCIL ACTION:

RESOLUTION NO. 09-1207/

**A RESOLUTION APPROVING AN ECONOMIC DEVELOPMENT GRANT FOR GRALE, L.L.C.
FOR REDEVELOPMENT OF 6733 UNIVERSITY AVENUE**

WHEREAS, Chapter 15A of the State of Iowa Code states that economic development is a public purpose, for which a city may provide grants, loans or incentives or other financial assistance for the benefit of private persons; and,

WHEREAS, Economic Development means private or joint public and private investment involving the creation of new jobs and income or the retention of existing jobs and income that would otherwise be lost; and,

WHEREAS, the City deems it beneficial to offer a grant program and passed Resolution 04-180 on July 19, 2004 approving an economic development grant program; and,

WHEREAS, the City's Community and Economic Development Committee analyzed the benefit to the City of granting an economic development grant to Grale, LLC in the amount of \$120,000, plus in-kind contributions, to acquire and redevelop the property at 6733 University Avenue and determined it to be a benefit to the City's tax base and goal of job retention and creation;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Windsor Heights, Iowa, that an economic development grant in the amount of \$120,000 is granted to Grale L.L.C in consideration for its acquisition, redevelopment and expansion of the property located at 6733 University Avenue.

BE IT FURTHER RESOLVED by the City Council of the City of Windsor Heights, Iowa, that the Mayor is authorized to execute the attached grant agreement (Exhibit A), pending legal counsel review.

BE IT FURTHER RESOLVED by the City Council of the City of Windsor Heights, Iowa, that the funding mechanism for this grant is an internal loan from general fund reserves to be repaid with TIF revenues when available and that the amount of \$120,000 shall be added to the internal loan as approved by the City Council on April 23, 2003.

PASSED AND APPROVED THIS 7th DAY OF DECEMBER, 2009

Jerry Sullivan, Mayor

ATTEST:

Marketa George Oliver
City Administrator/City Clerk

Exhibit A

AGREEMENT FOR ECONOMIC DEVELOPMENT GRANT FOR REDEVELOPMENT OF PROPERTY

THIS AGREEMENT FOR ECONOMIC DEVELOPMENT GRANT (hereinafter called "Agreement"), is made by and between the CITY OF WINDSOR HEIGHTS, IOWA, a municipality (hereinafter called "City"), established pursuant to the Code of Iowa of the State of Iowa and acting under the authorization of Chapter 15A of the Code of Iowa, 2005, and Gale, L.L.C., an Iowa limited liability company having its office at 6601 University Avenue, #102, Windsor Heights, Iowa 50324 (hereinafter called "Developer").

W I T N E S S E T H:

WHEREAS, on January 19, 1989, the City Council has approved and adopted an urban renewal plan pursuant to Chapter 403 of the Code of Iowa; and

WHEREAS, on August 7, 1995 and on November 18, 1996, the Urban Renewal Plan was amended and was designated as the Amended and Restated Windsor Heights Urban Renewal Plan (hereafter called the Urban Renewal Plan); and

WHEREAS, a copy of the Urban Renewal Plan has been recorded among the land records in the office of the Recorder of Polk County, Iowa; and

WHEREAS, in furtherance of the objectives of the Urban Renewal Act, the City has undertaken an Economic Development Program to facilitate the retention and creation of new jobs and income as an adjunct to the Urban Renewal Plan; and

WHEREAS, in an effort to further the goals of the Economic Development Program and the Urban Renewal Plan, the City Council approves the following:

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Obligations of Developer.
 - (a) Developer agrees to purchase and redevelop the property located at 6733 University Avenue.
 - (b) Developer shall construct commercial structure on such site which will employ at least five individuals on a full-time equivalency basis for a minimum of three years following completion of construction of the new structure.
 - (c) Developer agrees to execute a minimum assessment agreement for the property to have a minimum assessed value of \$476,000 beginning in calendar year 2011 for a period of not less than 12 years.
 - (d) Developer shall remediate such site in compliance with all applicable laws.

2. Obligations of City.
 - (a) The City will pay the Developer \$120,000 in the form of an economic development grant, disbursed at the time of the closing of the property.

- (b) The City will provide demolition services for the property, including demolition of the house and parking lot.
 - (c) The City will waive permit fees, including all building/demolition permits, utility connection fees, etc.
 - (d) The City will provide oversight of the stormwater connection and repair of the street following the connection.
3. Representations and Warranties of Developer:
- (a) The Developer is a limited liability company duly organized and in good standing under the laws of the State of Iowa, and has the power to enter into this Agreement and to perform its obligations hereunder, and is not in violation of any provisions of its articles of organization, operating agreement, any other agreement or the laws of the State.
 - (b) The Developer has the full power and authority to execute this Agreement and this Agreement shall constitute the legal, valid and binding obligation of the Developer in accordance with its terms, and the consent of no other party is required for the execution and delivery of this Agreement by the Developer or the consummation of the transaction contemplated hereby.
 - (c) The making and performance of this Agreement by the Developer has been duly authorized by all necessary action of the Developer, and this Agreement and such documents will be valid and binding obligations of the Developer enforceable in accordance with their terms.
4. Default. The Developer agrees that should the requirements of this Agreement not be performed by Developer, its successors, assigns or tenants, the Developer will reimburse the City any amount of investment of the \$120,000 that has not yet been recovered by the City through the minimum assessment agreement.
5. Notices. A notice, demand or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and
- (a) In the case of the Developer, is addressed or delivered personally to the Developer at Grale, LLC, 6601 University Avenue, #102, Windsor Heights, IA 50324; and
 - (b) In the case of the City, is addressed to or delivered personally to the City at City Hall, 1133 66th St., Windsor Heights, Iowa 50324; Attn: City Administrator.

or at such other address with respect to either party as that party may from time to time designate in writing and forward to the other as provided in this Section.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and behalf by its Mayor with authority vested in him by Council resolution and its seal to be hereunto duly affixed and attested by its City Clerk, and the Developer has caused this Agreement to be duly executed in its name and behalf by its authorized representative, on or as of the day herein written.

CITY OF WINDSOR HEIGHTS, IOWA

(SEAL)

By: _____,
Jerry Sullivan, Mayor

Date: _____

ATTEST:

By: _____
Marketa Oliver, City Administrator/Clerk

Grale, L.L.C.

By: _____
Kris Gregersen, Owner

Date: _____

By: _____
Matt Cale, Owner

Date: _____

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2009, before me a Notary Public in and for said County, personally appeared Ned Miller and Marketa Oliver, to me personally known, who being duly sworn, did say that they are the Mayor and City Clerk, respectively of the City of Windsor Heights, Iowa, a Municipal Corporation, created and existing under the laws of the State of Iowa, and that the seal affixed to the foregoing instrument is the seal of said Municipal Corporation, and that said instrument was signed and sealed on behalf of said Municipal Corporation by authority and resolution of its City Council and said Mayor and City Clerk acknowledged said instrument to be the free act and deed of said Municipal Corporation by it voluntarily executed.

Notary Public in and for Polk County, Iowa

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2009, before me the undersigned, a Notary Public in and for said County, in said State, personally appeared Kris Gregersen, to me personally known, who, being by me duly sworn, did say that he is the authorized representative of Grale, L.L.C., an Iowa limited liability company, and that said instrument was signed on behalf of said limited liability company; and that the Kris Gregersen as such authorized representative acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by him voluntarily executed.

Notary Public in and for Polk County, Iowa

STATE OF IOWA)
) SS
COUNTY OF POLK)

On this _____ day of _____, 2009, before me the undersigned, a Notary Public in and for said County, in said State, personally appeared Matt Cale, to me personally known, who, being by me duly sworn, did say that he is the authorized representative of Grale, L.L.C., an Iowa limited liability company, and that said instrument was signed on behalf of said limited liability company; and that the Matt Cale as such authorized representative acknowledged the execution of said instrument to be the voluntary act and deed of said limited liability company, by him voluntarily executed.

Notary Public in and for Polk County, Iowa