

 <p style="text-align: center;"><b>Council Communication</b> Office of the City Manager</p>	<b>Date:</b> August 22, 2016
	<b>Agenda Item No.</b> 35 <b>Roll Call No.</b> <u>16-1412</u> <b>Communication No.</b> <u>16-480</u> <b>Submitted by:</b> Matthew A. Anderson, Assistant City Manager

**AGENDA HEADING:**

Approving Amended and Restated Urban Renewal Development Agreement with Fort Des Moines Restoration, LLC.

**SYNOPSIS:**

On February 23, 2015, City Council approved final terms of an Urban Renewal Development Agreement with Fort Des Moines Restoration, L.L.C. (Justin Doyle, Partner, 130 East 3<sup>rd</sup> Street, Des Moines, Iowa 50309) for a \$37 million project of six (6) buildings in Historic Fort Des Moines into 142 residential units.

The project was unable to initiate construction in 2015 as originally anticipated due to the inability to finalize project financing; in particular, not receiving an award under the State Historic Tax Credit program. Financing has now been finalized to allow the project to move forward as planned.

The Amended and Restated agreement provides for a new start date of September 15, 2016 and a new completion date of December 31, 2017.

**FISCAL IMPACT:**

Amount: 100% of tax increment generated by the project in years 1-10; 75% of tax increment generated by the project in years 10-15. Estimated NPV \$2,037,983. Payments will be made on a semi-annual basis according to the terms of the development agreement. The project will forego any available tax abatement on the residential units.

Funding Source: Tax increment generated by the project in the Southside Economic Development District Urban Renewal Area. A project account will be established by the Finance Department.

**ADDITIONAL INFORMATION:**

- Located south of Army Post Road and east of SW 9<sup>th</sup> Street, the Fort Des Moines properties are listed on the National Register of Historic Places and have been the subject of significant work through the SuperBlock Master Plan in 2008 and the Fort Des Moines Historic Preservation Plan in 2010.
- Fort Des Moines Restoration, LLC’s plan will provide the significant financial investment and substantial historic rehabilitation necessary to bring the structures back to active use.

- The developer intends to provide a model of stewardship and high performance construction practices through the use of sustainable green technologies, including geothermal heating, ventilation, and air conditioning (HVAC), several small photovoltaic shade structures, light-emitting diode (LED) lighting, and low-impact storm water management and green infrastructure practices.
- Future phases of the Fort Des Moines Restoration project propose the incorporation of additional residential units, as well as neighborhood commercial and recreational uses, following additional land and building acquisition from various entities in the Fort boundary, including the City of Des Moines, the State of Iowa, and the Blank Park Zoo Foundation.

**PREVIOUS COUNCIL ACTION(S):**

Date: February 23, 2015

Roll Call Number: [15-0311](#)

Action: [Urban](#) Renewal Development Agreement with Fort Des Moines Restoration, LLC for the rehabilitation of existing buildings in Historic Fort Des Moines for residential use, approving proposed Conceptual Development Plan, and authorizing City Manager to sign Iowa Finance Authority “Exhibit 5S Local Government Contribution” for 4% bond issue application for Fort Des Moines Restoration, LLC. ([Council Communication No. 15-093](#)) Moved by Gatto to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Board: Urban Design Review Board

Date: November 19, 2013

Resolution Number: N/A

Action: Motion by Clark for final approval of the design and financial assistance as presented. Seconded by Hearn. Approve-6; Recusal-1; Absent-2.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

Issuance of Certificate of Completion for the project.

For more information on this and other agenda items, please call the City Clerk’s Office at 515-283-4209 or visit the Clerk’s Office on the first floor of City Administration Building, 400 E. Court Avenue Ste.116. Council agendas are available to the public at the City Clerk’s Office on Thursday afternoon preceding Monday’s Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk’s Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).