


COUNCIL COMMUNICATION

	Number:	25-186	Meeting:	May 5, 2025
	Agenda Item:	33	Roll Call:	25-0662
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving final terms of an urban renewal development agreement with Goldfinch Apartments, LP for the mixed-use redevelopment of 3404-3422 Ingersoll Avenue.

SYNOPSIS:

Goldfinch Apartments, LP (Scott and Molly Cutler, Principals; Cutler Development, 1307 50th Street, West Des Moines, IA 50266) has proposed a new three (3)-story mixed-use development at 3404-3422 Ingersoll Avenue. This project will consist of approximately 9,250 square feet of commercial space on the ground floor with 24 one (1)-bedroom residential units and four (4) two (2)-bedroom residential units on the upper floors. The residential units will be affordable with rents ranging from 30% to 80% of the Area Median Income (AMI). The project has an estimated cost of \$12,355,000 with construction starting in fall of 2025 and expected completion in fall/winter 2026.

The Office of Economic Development has negotiated final terms of an urban renewal development agreement with Goldfinch Apartments, LP, which provides a forgivable loan to serve as a mechanism for responding to a financing gap, as presented by the development team. Additional details are provided in the fiscal impact section below.

FISCAL IMPACT:

Amount: The project will be eligible for the three (3)-year 100% commercial tax abatement schedule. The final terms propose a forgivable loan in the amount of \$300,000, which is equivalent to 82% of the project generated tax increment financing (TIF) in Years 4 through 8 of the project on a net present value (NPV) at a 4.5% discount rate. The forgivable loan will be advanced within 30 days of the issuance of the certificate of completion.

Year	Estimated Taxes Received without Project*	Estimated Taxes Received with Project*	Estimated Incentive Paid	Estimated Net Taxes received
Sum 10 Years	\$224,545	\$1,205,688	\$300,000	\$ 905,688
Sum 20 Years	\$498,232	\$3,148,002	\$300,000	\$2,848,002
Sum 30 Years	\$831,814	\$5,498,803	\$300,000	\$5,198,803

*Taxes include all taxing authorities (not just City property tax dollars)

*Taxes received estimates used the following assumptions: 2.5% growth in re-assessment years, 1.5% growth in non-re-assessment years.

Building and land valuation assumptions at completion of construction:
\$3,155,000 building valuation
\$441,800 land assessment

Funding Source: Ingersoll-Grand Urban Renewal Area

ADDITIONAL INFORMATION:

- Over 40,000 Low-Income Housing Tax Credit (LIHTC) funded apartments are built each year, and these will be the first ever that are carbon neutral certified.
- The design will be the first in the state of Iowa that is Passive House Certified (for extremely high efficient operational systems).
- The affordability mix will have 10 units at 50% AMI or less. Of these, four (4) units will be set aside for tenants experiencing homelessness.
- All tenants will receive All Access DART passes, paid for by the project. This project is the sole recipient of the Iowa Finance Authority's Innovation Set Aside award for this year's LIHTC round.

PREVIOUS COUNCIL ACTION(S):

Date: January 27, 2025

Roll Call Number: [25-0124](#)

Action: [Preliminary](#) terms of an Urban Renewal Development Agreement with Goldfinch Apartments, LP for the construction of a three (3)-story mixed-use redevelopment of 3404-3422 Ingersoll Avenue. ([Council Communication No. 25-033](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Board

Date: April 15, 2025

Resolution Number: N/A

Action: Motion to recommend approval of the final design as presented by Burnham. Seconded by Nagle. Motion carried. Yes – 6, No – 0, Abstain – 0, Absent – 5.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Certificate of Completion

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