


COUNCIL COMMUNICATION

	Number:	25-196	Meeting:	May 19, 2025
	Agenda Item:	26	Roll Call:	25-0751
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving the final terms of an Urban Renewal Development Agreement with Riverview Parking LLC for the construction of a multilevel parking structure with a minimum of 335 parking stalls located at 200, 210, and 216 East Court Avenue to support the renovation and re-occupancy of the existing office building at 218 East 2nd Street.

SYNOPSIS:

Riverview Parking LLC (Doug Wells, Principal; Wells Porter Design, 2200 Grand Avenue, Des Moines, IA 50312) is proposing the construction of a multi-level parking structure consisting of a minimum of 335 parking stalls at 200, 210, and 216 East Court Avenue, located on a 0.849-acre parcel in the East Village. The proposed parking structure will include electric vehicle (EV) charging stations and will be available for use by the public on nights and weekends.

It is also anticipated that there will be a full-scale renovation of the adjacent office building, located at 218 East 2nd Street and owned by Riverview DSM LLC (ownership of which is related to Riverview Parking LLC). The combined total project cost, inclusive of the parking structure and office building renovation, is estimated at \$36.3 million. Construction is expected to begin as soon as possible, with completion anticipated approximately one (1) year after obtaining a building permit.

The Office of Economic Development has negotiated final terms of an urban renewal development agreement with Riverview Parking LLC, which provides for tax increment financing (TIF) to serve as a means for responding to a financing gap, as presented by the development team. Additional details on the financial terms are provided in the fiscal impact section below.

FISCAL IMPACT:

Amount: The financial terms propose approximately \$6.02 million in project-generated tax increment at a net-present-value at a 4.5% discount rate (\$10.05 million on a cash basis), to be paid with 100% of the project-generated building TIF in years one (1) through 20. The projected TIF will be generated from the increased valuation of the renovated office building as well as the new valuation of the parking structure. The TIF is estimated to comprise of 16.6% of the combined project cost. The combined current assessed value of the existing properties is \$9,102,300. Upon completion of the parking structure project and the office renovation, the total assessed value of the property is projected to be approximately \$21,577,500.

Year	Estimated Taxes Received without Project*	Estimated Taxes Received with Project*	Estimated Incentive Paid	Estimated Taxes Received
Sum 10 Year	\$ 3,883,170	\$ 9,270,263	\$ 4,378,826	\$ 4,891,437
Sum 20 Years	\$ 8,695,525	\$20,580,503	\$10,049,046	\$10,531,457
Sum 30 Years	\$14,561,055	\$34,365,965	\$10,049,046	\$24,316,920

Funding Source: Tax increment generated by the project in the Metro Center Urban Renewal Area.

ADDITIONAL INFORMATION:

- The proposed parking structure project is located at the northeast corner of East 2nd and East Court Avenue and will include a minimum of 335 parking stalls. This structure will support projected office and commercial users with substantial parking needs in the East Village.
- The renovation scope of the office building at 218 East 2nd Street will include restaurant use on the first level, providing exclusive view of the downtown skyline and the Des Moines River. The upper floors will include office uses. Interior non-load bearing walls have been removed, leaving a wide-open floor plate ready for tenant buildout.
- The first floor of the proposed parking structure will be positioned with a flat ceiling at-grade along the street frontage to allow for future commercial use in that space should the market demand commercial uses.
- All proposed projects which exceed the City's TIF policy (no more than 75% of project-generated TIF for 15 years) must be reviewed by the City's Debt Review Committee. The committee is comprised of staff from the Finance, Economic Development, and City Manager's departments. The committee is receptive of the project and its importance in solving parking constraints in the area; however, there is apprehension regarding the incentive level which could set a precedent for future developments. The unique circumstances of this project, such as a starting valuation of over \$9 million, a lack of adjacent or proximate parking availability, and the need to reposition and stabilize the building are likely to differentiate this from future projects.

PREVIOUS COUNCIL ACTION(S):

Date: September 16, 2024

Roll Call Number: [24-1259](#)

Action: [Preliminary](#) terms of an Urban Renewal Development Agreement with Riverview DSM LLC and Riverview Parking LLC for the construction of a multi-level parking structure at the northeast corner of East Court Avenue and East 2nd Street. ([Council Communication No. 24-378](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 6-0. Council Member Mandelbaum declares a conflict of interest and abstains from voting.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: April 1, 2025

Resolution Number: N/A

Action: Motion by Hielkema to recommend approval of the final design as presented with the following considerations:

- hiring of a landscape architect;
- provide headlight barrier on the street side of the structure;
- make suggested change to the onsite bike racks; and,
- enhanced pedestrian safety features on the east/west pedestrian walkway.

Seconded by Sellers. Motion carried. Yes = 8, No = 0, Abstain = 0, Absent = 3.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Certificate of Completion

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