


COUNCIL COMMUNICATION

	Number:	25-218	Meeting:	June 9, 2025
	Agenda Item:	35b	Roll Call:	<input type="text"/>
	Submitted by:	Cody Christensen, Development Services Director		

AGENDA HEADING:

Resolution approving a Minimum Assessment Agreement for the property located at 4241 Merle Hay Road with Park Hill Holdings LLC.

SYNOPSIS:

On May 4, 2023, Governor Reynolds signed House File 718, which included new requirements for urban revitalization, the state program authorizing the use of tax abatement. One (1) of the changes from House File 718 is the requirement for any commercial projects applying for tax abatement on or after July 1, 2024, to enter into a written assessment agreement with the municipality specifying a minimum actual value for the completed improvements, which minimum actual value must be certified by the County Assessor.

Due to this change, all properties within Des Moines that are interested and eligible for commercial tax abatement must enter into the required Minimum Assessment Agreement for the term of the abatement schedule to receive the abatement benefit.

A Minimum Assessment Agreement ensures that a property's value is not lowered below the agreed-upon minimum actual value during the abatement period.

FISCAL IMPACT:

Minimum assessment of \$395,500.

ADDITIONAL INFORMATION:

- This new construction project, located at 4241 Merle Hay Road, is proposed as a 7 Brew coffee shop. The original structure was demolished to make way for this new construction project.
- The development representative applied for commercial tax abatement through the Customer Self Service portal on December 20, 2024. The project has commenced, and is anticipated to be completed by the fall of 2025, making the first year of full assessment 2026 (subject to applicable abatement schedule). City staff has determined this project to be eligible for commercial tax abatement per the requirements, subject to the approval and acceptance of this Minimum Assessment Agreement.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Approval of additional Minimum Assessment Agreements for eligible projects seeking commercial tax abatement.

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 Hall, 400 Robert D Ray Drive. 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.