


## COUNCIL COMMUNICATION

	Number:	26-034	Meeting:	February 9, 2026
	Agenda Item:	28	Roll Call:	26-0183
	Submitted by:	Carrie Kruse, Economic Development Administrator		

### AGENDA HEADING:

Resolution approving the First Amendment to an Urban Renewal Development Agreement with JR Partners, LLC for the historic renovation of 401 East Court Avenue.

### SYNOPSIS:

On November 9, 2020, by Roll Call No. 20-1780, the City Council approved an Urban Renewal Development Agreement with JR Partners, LLC (102 Court Avenue, Suite 204, Des Moines, IA 50309; Tim Rypma, Jeremy Cortright, and Paul Cownie, Members) for the historic renovation of the one-story, approximately 10,500-square-foot commercial building located at 401 East Court Avenue. The building was originally constructed in 1940 as the first purpose-built A&P Super Market in Des Moines.

The proposed First Amendment to this Urban Renewal Development Agreement will establish a minimum assessment agreement for the property. The new minimum assessment agreement will be for a minimum assessed value of \$1.5 million, starting January 1, 2025, and continuing until December 31, 2036. The minimum assessment agreement was not a part of the originally approved document, which will necessitate the First Amendment to the Urban Renewal Development Agreement.

### FISCAL IMPACT:

Amount: No change to previously agreed terms. The terms provide for a declining schedule of the project generated tax increment from the taxable building valuations (exclusive of land) in years one (1) through 15, starting at 90% for years one (1) through five (5), 85% in years six (6) through nine (9), 80% in years 10 through 12, and 75% in years 13 through 15. Total assistance is estimated at \$439,000 (net present value {NPV} at a 4.5% discount rate).

Funding Source: Metro Center Tax Increment Financing District (TIF).

### ADDITIONAL INFORMATION:

- The project successfully brought occupancy to the renovated building, and is home to Power Life Yoga Barre Fitness, Early Bird, and R. Mane Apothecary.
- The project was issued the certificate of completion in January 2022 and has been open for business since completion.

- The January 1, 2025, building assessment is \$720,000, which was below the projected assessment. The lender, which is the recipient of the collateral assignment, has requested to have more stability on the future assessed valuation to minimize large swings in the property assessment and allow more certainty on financial projections.

**PREVIOUS COUNCIL ACTION(S):**

Date: January 10, 2022

Roll Call Number: [22-0046](#)

Action: [Issuance](#) of Certificate of Completion for JR Partners, LLC for the historic renovation of 401 East Court Avenue. Moved by Boesen to adopt. Motion Carried 7-0.

Date: November 9, 2020

Roll Call Number: [20-1780](#)

Action: [Final](#) terms of an Urban Renewal Development Agreement with JR Partners, LLC for the historic renovation of 401 East Court Avenue. ([Council Communication No. 20-487](#)) Moved by Boesen to adopt. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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