

COUNCIL COMMUNICATION

	Number:	26-069	Meeting:	February 23, 2026
	Agenda Item:	27	Roll Call:	26-0244
	Submitted by:	Carrie Kruse, Economic Development Administrator		

AGENDA HEADING:

Resolution approving final terms of an urban renewal development agreement with JDS Real Estate Investments LLC for the rehabilitation of a 33,540 square foot office building at 108 3rd Street.

SYNOPSIS:

JDS Real Estate Investments LLC (2775 86th Street, Urbandale, IA 52322; Jeff Stanbrough, Partner,) is proposing the rehabilitation of a three (3)-story apartment building at 108 3rd Street. Total project cost is estimated at \$7.4 million. Construction is anticipated to begin in mid-2026 with completion anticipated in mid-2027.

The Office of Economic Development has negotiated final terms of an urban renewal development agreement with JDS Real Estate Investments LLC, which provides for tax increment to serve as a core mechanism for responding to a financing gap, as presented by the development team. Additional details on the final terms are provided in the fiscal impact section below.

FISCAL IMPACT:

Amount: The financial terms propose a capped tax increment financing (TIF) maximum value of \$1.3 million in project-generated tax increment on a net-present-value (NPV) basis (at a 4.5% discount rate) based on the following schedule: 95% in years one through five (1-5), 85% in years six (6) through 10, and 75% in years 11-15. The tax increment financing (TIF) is estimated to comprise 18% of the total project financing.

The current assessed value of the existing property is \$1,250,000. Upon completion of the project, the total assessed value of the property including building and land is estimated at \$5,345,000.

Year	Estimated Taxes Received without project*	Estimated Taxes Received with project*	Estimated Incentive Paid	Estimated Net Taxes Received*
SUM 10 Years	\$ 510,764	\$ 2,252,123	\$ 1,297,179	\$ 954,943
SUM 20 Years	\$ 1,133,307	\$ 4,988,718	\$ 1,944,380	\$ 3,044,338
SUM 30 Years	\$ 1,892,093	\$ 8,313,578	\$ 1,944,380	\$ 6,369,198

*Taxes include all property taxing authorities (not just City property taxes).

*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:
\$5,031,000 building valuation
\$314,000 land assessment

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

ADDITIONAL INFORMATION:

- The \$7.4 million project is located on 3rd Street, south of Court Avenue and will include the renovation of the existing 33,540 square-foot office building, formerly the Davidson Warehouse.
- The Davidson Warehouse is a three (3)-story structure that was originally built in 1901, with additions to the west completed in 1912. It originally served as a wholesale grocery warehouse for the Davidson Brothers Company. Over the years, as the needs of the area changed and industrial functions moved out of the city, the building was repurposed – with renovations completed in 1995 and 2015.
- The developer is pursuing state and federal historic tax credits and is working with the State Historic Preservation Office (SHPO) on design requirements for the historic restoration of the structure.
- The building will be served by gas and electric services. The team evaluated all-electric options, but site constraints do not support the size of the transformer needed to serve an all-electric building.
- The developer will participate in MidAmerican Energy’s Commercial New Construction Energy Efficiency Program.

PROJECT SITE MAP:



PREVIOUS COUNCIL ACTION(S):

Date: September 8, 2025

Roll Call Number: [25-1220](#)

Action: [Preliminary](#) terms of an urban renewal development agreement with JDS Real Estate Investments LLC for the rehabilitation of a 33,540 square foot office building at 108 3rd Street. ([Council Communication No. 25-331](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Board: Urban Design Review Board

Date: October 21, 2025

Resolution Number: NA

Action: T. Heilkema moved to approve the final design as presented. Motion seconded by S. Wilke Shapiro. Yes – 6, No – 0, Abstain – 0, Absent – 4.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Certificate of Completion

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