COUNCIL COMMUNICATION

CITY OF DES MOINES CITY MANAGER'S OFFICE	Number:	**26-096**	Meeting:	**March 9, 2026**
	Agenda Item:	**24**	Roll Call:	**26-0308**
	Submitted by:	**Carrie Kruse, Economic Development Administrator**		

AGENDA HEADING:

Resolution approving preliminary terms of an Urban Renewal Development Agreement with Ingersoll Properties Group, LLC for the rehabilitation of a 32,437 square-foot commercial property and the adjacent parking facilities at 2700 Ingersoll Avenue.

SYNOPSIS:

Ingersoll Properties Group, LLC (Christensen Development, 215 East 3rd Street, Suite 300, Des Moines, IA 50309; Jake Christensen, President) is proposing the rehabilitation of the existing commercial building and adjacent parking lot at 2700 Ingersoll, located on a 2.293-acre site. Total renovation cost is estimated at $8.2 million. Construction is anticipated to begin in the spring of 2026, with completion anticipated in early 2027.

The Office of Economic Development has negotiated preliminary terms of an urban renewal development agreement with Ingersoll Properties Group, 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 preliminary terms are provided in the fiscal impact section below.

FISCAL IMPACT:

Amount: The financial terms propose a TIF in lieu of tax abatement structure with a capped TIF maximum value of $850,000 in project-generated tax increment on a net-present-value (NPV) basis (at a 4.5% discount rate) based on the following schedule: 80% in years one (1) through eight (8). The terms of the development agreement will not allow the developer to apply for commercial tax abatement. The proposed TIF maximum value is less than the value of the commercial tax abatement schedule available by-right at this project site. TIF is estimated to comprise 10.3% of the total project financing.

The current assessed value of the existing property is $2,880,000. Upon completion of the project, the total assessed value of the property including building and land is estimated at $7,314,000. Terms will include a minimum assessment agreement establishing a minimum $7 million building value.

Year	Estimated Taxes Received without project*	Estimated Taxes Received with project*	Estimated Incentive Paid	Estimated Net Taxes Received*
SUM 10 Years	$ 1,126,180	$ 2,904,968	$ 1,015,078	$ 1,889,891
SUM 20 Years	$ 2,252,360	$ 5,822,534	$ 1,015,078	$ 4,807,456
SUM 30 Years	$ 3,378,540	$ 8,740,099	$ 1,015,078	$ 7,725,021

Funding Source: Tax increment generated by the project in the Ingersoll-Grand Urban Renewal Area

ADDITIONAL INFORMATION:

- The development team is proposing to rehabilitate the large retail space at 2700 Ingersoll, which formerly housed an Office Max and Dollar General. An extensive, $8.2 million renovation is planned for the interior and exterior of the building as well as the surrounding parking facilities.

- Unity Point Program of All-Inclusive Care for the Elderly (PACE) is slated as the tenant in the west two-thirds of the building. The remainder of the space has not been leased.

- PACE will provide a variety of programing and day services to elderly participants and operates during weekday business hours.

- The project will include site improvements to the large parking lot that services the building, and the developer has agreed to make 50 parking spots available for public parking for 15 years.

- The developer will participate in MidAmerican Energy's Commercial New Construction Energy Efficiency Program.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Final Terms of a Development Agreement and Certificate of Completion
- Urban Design Review Board – Preliminary and Final Design Review

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