


COUNCIL COMMUNICATION

	Number:	26-152	Meeting:	April 20, 2026
	Agenda Item:	21	Roll Call:	26-0499
	Submitted by:	Carrie Kruse, Economic Development Administrator		

AGENDA HEADING:

Resolution approving the First Amendment to an Urban Renewal Development Agreement with Highland Park Flats, LLC, for the construction of a 12-unit apartment building located at 3608-3610 5th Avenue.

SYNOPSIS:

On May 19, 2025, City Council approved the Final Terms, Roll Call 25-0752, for an Urban Renewal Agreement with Highland Park Flats, LLC (1924 Fuller Avenue, West Des Moines, IA 50265) to construct a 12-unit apartment building at 3608-3610 5th Avenue. Total project cost is estimated at \$2,635,000, and construction was anticipated to begin in the summer of 2025 with completion expected in fall of 2026.

Due to financing delays, the developer has requested an amendment to Section 1.2 of the agreement to allow for a ONE (1)-year extension for construction to begin by July 1, 2026, and have substantial completion by July 1, 2027.

FISCAL IMPACT: NONE

Amount: No change to previously agreed terms. The terms provide for a declining schedule of the projected general tax increment from the taxable building valuations (exclusive of land) in years one (1) through 16, starting at 95% in years one (1) through five (5), 85% in years six (6) through 10, 80% in years 11-15, 70% in year 16. The total assistance is estimated to be and will be capped at \$252,608 in project-generated tax increment on a net-present-value basis (NPV) (at a 4.5% discount rate).

Funding Source: Tax Increment generated by the project in the Oak Park Highland Park Urban Renewal Area.

ADDITIONAL INFORMATION:

- The \$2.6 Million project is located on a vacant lot that was previously an abandoned housing structure. The Developer is planning all-electric appliances and Heating, Ventilation, and Air Conditioning (HVAC) units.
- The Developer will also participate in MidAmerican Energy's Commercial New Construction energy efficiency program.

- Developer must reserve at least 10% of the Property's units as affordable units (two {2} units) for persons earning up to 80% Area Median Income (AMI).
- Developer shall participate in the Des Moines Area Regional Transit (DART) Authority Unlimited Access Program to provide free use of DART buses to employees of Developer and/or tenants of the improvements for the duration of this Agreement.

PREVIOUS COUNCIL ACTION(S):

Date: May 19, 2025

Roll Call Number: [25-0752](#)

Action: [Urban](#) Renewal Development Agreement with Highland Park Flats LLC for the construction of a 12-unit apartment building located at 3608-3610 5th Avenue. ([Council Communication No. 25-194](#)) Moved by Gatto to adopt. Second by Voss. Motion Carried 7-0.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- City Council – Certificate of Completion

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