COUNCIL COMMUNICATION

Number:	**26-254**	Meeting:	**July 13, 2026**
Agenda Item:	**25**	Roll Call:	**26-0834**
Submitted by:	**Carrie Kruse, Economic Development Administrator**		

AGENDA HEADING:

Recommendation of preliminary terms of an urban renewal development agreement with 900 Vine LLC for construction of a five (5)-story, mixed use building at 900 Vine Street.

SYNOPSIS:

The development proposal brought forth by 900 Vine LLC (900 Vine LLC, 114 51st Street, Des Moines, IA 50312: Brian Clark, Partner) includes a five (5)-story, mixed-use project with 160 residential units on floors two (2) through five (5), 7,000 square feet of ground-floor commercial space, and additional ground-floor leasing space. Total project cost is estimated at $42.25 million. Construction is anticipated to begin in the Spring of 2027 with completion anticipated in 2028.

The Office of Economic Development (OED) has negotiated preliminary terms of an urban renewal development agreement with 900 Vine 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 terms are provided in the fiscal impact section below.

FISCAL IMPACT:

Amount: The financial terms propose a capped TIF maximum value of $4.5 million in project generated tax increment on a net-present-value (NPV) basis (at a 4.5% discount rate) based on the following schedule: 0% in year one (1), 95% in years two (2) through six (6) and 90% in years seven (7) through nine (9), 85% in year 10, 80% in years 11-13, and 75% in years 14-15. The TIF is estimated to comprise 10.6% of the total project financing.

The current assessed value of the existing property is $2,648,480. Upon completion of the project, the total assessed value of the property including building and land is estimated at $32,999,480. ($30,351,000 building valuation: $2,648,480 land assessment).

Year	Estimated Taxes Received Without Project*	Estimated Taxes Received With Project*	Estimated Incentive Paid	Estimated Net Taxes Received*
SUM 10 Years	$702,295	$7,082,444	$4,388,121	$2,694,323
SUM 20 Years	$1,558,286	$15,652,591	$6,758,220	$8,894,371
SUM 30 Years	$2,601,610	$26,041,042	$6,758,220	$19,282,822

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

*Taxes received estimates used the following assumptions: 2.5% growth in re-assessment years, 1.5% growth in non-re-assessment years.

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

ADDITIONAL INFORMATION:

- A five (5)-story, mixed-use building is proposed with 7,000 square feet of commercial space, public-facing tenant amenity spaces, a leasing office, and internal-building vehicular parking stalls proposed for the first floor. There are 160 housing units proposed for floors two (2) through five (5), in a mix that includes 40 Studio, 80 one (1)-bedroom, 40 two (2)-bedroom units. Proposed tenant amenities include indoor bicycle storage facilities, fitness, community room/kitchen and onsite storage units.

- The Developer has committed to providing 10% of the residential units at an affordable rent structure of 80% Housing and Urban Development (HUD) Rent Limits and available to households earning 80% or less of the area median income (AMI) levels for 15 years.

- The Developer will be participating in Mid-American Energy's Commercial New Construction Energy Efficiency Program.

- Additional sustainability goals proposed as part of this project's site/building design include: All-electric appliances and energy sources inside of the building.

- Solar Readiness: Flat roof surfaces and infrastructure will support future solar panel installation.

- Water conservation: Drought tolerant native landscaping and low-flow indoor fixtures.

- All residents will be provided with a Des Moines Area Regional Transit Authority (DART) all access pass.

Site Map and Project Rendering

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

- Site Plan Approval
- Urban Design Review Board
- City Council – Final Terms

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