



Date April 22, 2019

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH JARCOR, LLC FOR THE HISTORIC RENOVATION OF THE ARGONNE APARTMENTS BUILDING AT 1723 GRAND AVENUE FOR A MIXED-USE RESIDENTIAL AND COMMERCIAL DEVELOPMENT.

WHEREAS, Benchmark Real Estate Group, doing business as Jarcor, LLC (Joe Cordaro, Principal, 950 Office Park Road, Suite 300, West Des Moines, IA 50265) (“Developer”) has proposed a historic restoration of the 4-story, 35,720 sq. ft. building at 1723 Grand Avenue; and,

WHEREAS, Developer has proposed a project that would contain approximately 45 multi-residential apartment units, and 6,900 sq. ft. of first floor commercial use, at a cost of \$7.7 million dollars, beginning construction in the summer of 2019 and completing the project in late 2020; and

WHEREAS, the terms of the development agreement would include an affordability component requiring that a minimum of 10% of the multi-family residential apartment units be leased at affordable rents; and,

WHEREAS, the developer would exceed the applicable Energy Code requirements by seeking participation and approval of Mid-American Energy’s Commercial New Construction program. The final program verification report would be provided to the City prior to issuance of the initial financial assistance payment; and,

WHEREAS, the developer has provided the Office of Economic Development with a financial analysis of the project, indicating a gap between actual project costs and the project appraisal and seeks a financial assistance package to be provided from project generated tax increment as more specifically described in the accompanying Council Communication; and,

WHEREAS, the project, as proposed, would be eligible for tax abatement on a declining 10-year scale; and,

WHEREAS, the Developer seeks reimbursement of 100% of the project generated tax increment in years 8-20.

(Continued)



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BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

1. The City Council hereby approves the preliminary terms of agreement as set forth in the accompanying Council Communication; and,
2. Directs the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council.

MOVED by _____ to adopt.

(Council Communication No. 19- 173)

FORM APPROVED:


 Thomas G. Fisher Jr.
 Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
WESTERGAARD				
TOTAL				
MOTION CARRIED			APPROVED	
_____ Mayor				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

City Clerk