

Date December 16, 2019

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH BRIDGE DISTRICT LEVEL, LLC FOR THE NEW CONSTRUCTION OF A 5-STORY, 114-UNIT MULTI-FAMILY HOUSING PROJECT LOCATED IN THE 300 BLOCK OF MAPLE STREET

WHEREAS, Hubbell Realty Company doing business as (d/b/a) Bridge District Level, LLC (“Developer”), represented by Joe Pietruskinski, Officer, proposes to construct a new 114-unit multi-family residential project to be known as “Level”, located on a vacant site in the 300 block of Maple Street and part of Hubbell Realty Company’s master-planned “Bridge District” community, which is expected to include a mix of 1-unit to 4-unit bedroom apartments within a 5-story building and accommodate parking through indoor climate controlled parking and surface parking (collectively the “Improvements”), at an estimated total project cost of \$26,900,000.00, and 25 owner-occupied rowhome units within the second and third phases of “The Banks” townhome development located on the adjoining property south of the Level Apartments site, subject to receipt of the financial assistance identified below; and

WHEREAS, construction of the Improvements is anticipated to commence in spring 2020, with an estimated completion date in the last quarter of 2021; and

WHEREAS, the City’s Office of Economic Development has negotiated preliminary terms of an Urban Renewal Development Agreement with the Developer, all as more specifically described in the accompanying Council Communication, which provide that in consideration of the Developer’s commencement and completion of the Improvements, the City will provide an economic development grant in a total amount not to exceed \$4,800,000.00 (cash basis; \$3,270,000.00 on a net present value basis), to be paid as follows: (1) installments in project years 1-6 totaling and not to exceed \$1,500,000.00, to be paid from non-project generated tax increment revenue; (2) installments in project years 7-10 in amounts equal to 100 percent of, and to be paid from, the tax increment revenue generated by the Improvements in the applicable fiscal year; and (3) installments in project years 11-15 in amounts up to 100 percent of, and to be paid from, the tax increment revenue generated by the Improvements in the applicable fiscal year and not to exceed \$460,000.00 per fiscal year; and

WHEREAS, the developer has agreed as preliminary terms of Agreement to complete at least 25 rowhomes in “The Banks” Phases II and III projects prior to January 1, 2023, and to limit the tax abatement received on the proposed and adjacent Phases II and III of “The Banks” townhome project to the 6-year declining tax abatement schedule to assist with the cost to the City of the non-project generated tax increment financing (TIF) incentive described above for project years 1-6, and to provide an affordable housing component of 10 percent of the apartment units offering a rent structure targeted to those earning approximately 80 percent of the area median income for the duration of the Development Agreement.

★ Roll Call Number

Agenda Item Number

33


Date December 16, 2019

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Bridge District Level, LLC, as described above and in the accompanying Council Communication, are hereby received and filed, and the City Manager is hereby directed to proceed with negotiation of a development agreement with the Developer on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for consideration for approval by the City Council.

(Council Comm. No. 19-556)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:


Glenna K. Frank, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
COWNIE				
COLEMAN				
GATTO				
GRAY				
MANDELBAUM				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, P. KAY CMELIK, 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