



Date March 23, 2020

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH REAGAN HOUSE, LLC (TIM RYPMA, PAUL COWNIE AND JEREMY CORTRIGHT) FOR THE HISTORIC RENOVATION OF THREE MULTIFAMILY APARTMENT BUILDINGS LOCATED AT 2801 GRAND AVENUE

WHEREAS, Reagan House, LLC (“Developer”), represented by Tim Rypma, Paul Cownie and Jeremy Cortright, Development Members, proposes to undertake a historic renovation of three existing multifamily apartment buildings located at 2801 Grand Avenue, which is expected to contain a mix of approximately 47 efficiency and one-bedroom apartment units (“Improvements”), at an estimated total project cost of \$7,700,000.00, subject to receipt of the financial assistance identified below and State and Federal Historic Tax Credits being sought by the Developer; and

WHEREAS, the existing buildings were originally constructed in 1917, 1920 and 1921, and the Developer is working with the State Historic Preservation Office (SHPO) on design requirements and intends to undertake the renovation consistent with the Secretary of the Interior’s Standards and Guidelines for Historic Rehabilitation; and

WHEREAS, construction of the Improvements is anticipated to commence in July/August 2020; 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 \$1,395,000.00 (cash basis; \$994,627.00 on a net present value basis at a four percent (4%) discount rate), to be paid in annual installments in project years 1-13 from the tax increment generated by the Ingersoll Grand Commercial Urban Renewal Area and to be used for the affordable (low-moderate income) housing units included in the Improvements; and

WHEREAS, the Developer has agreed as preliminary terms of Agreement to preserve fifty percent of the apartment units at a variety of affordable rates, including a minimum of ten percent of the units (5 units) to be capped at the fifty percent HOME rent limits and restricted to households earning fifty percent or less of the area median income, and a minimum of forty percent of the units (19 units) to be capped at the sixty-five percent HOME rent limits and restricted to households earning eighty percent or less of the area median income, in addition to participation in and compliance with MidAmerican Energy’s Commercial New Construction Energy Efficiency Program and the installation of a minimum of two electric vehicle charging stations on site.

★ Roll Call Number

Agenda Item Number

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Date March 23, 2020

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Reagan House, 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. 20-138)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:

/s/ Glenna K. Frank
Glenna K. Frank, Assistant City Attorney

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

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.

Mayor

City Clerk