



Date March 23, 2020

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH BRIDGE DISTRICT LEVEL, LLC, BRIDGE DISTRICT II TOWNHOMES, LLC, AND BRIDGE DISTRICT II, LLC, FOR THE NEW CONSTRUCTION OF A 5-STORY, 114-UNIT MULTI-FAMILY HOUSING PROJECT AND 25-UNIT ROWHOME PROJECT LOCATED IN THE 300 BLOCK OF MAPLE STREET

WHEREAS, Hubbell Realty Company doing business as (d/b/a) Bridge District Level, LLC, represented by Kris Sadoris, Officer, proposes to construct a new 114-unit multi-family residential project to be known as “Level”, located on a vacant site owned by Bridge District II, LLC (“Owner”) 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, at an estimated total project cost of \$26,900,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, Hubbell Realty Company doing business as (d/b/a) Bridge District II Townhomes, LLC, proposes to construct 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 owned by Owner; and

WHEREAS, construction of the Level Apartment building and rowhome units (collectively “Project” or “Improvements”) is anticipated to commence in spring 2020, with an estimated completion date in the last quarter of 2021 for the apartment phase and of January 1, 2024 for the rowhome phase; and

WHEREAS, pursuant to Roll Call No. 19-2018, the City Council directed the City Manager to proceed with negotiation of a development agreement with Bridge District Level, LLC, for said Project; and

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the “Development Agreement”) with Bridge District Level, LLC, as well as Bridge District II Townhomes, LLC and Bridge District II, LLC (collectively “Developer”), whereby the Developer has agreed to construct the Project, in accordance with a City-approved PUD Conceptual Plan and Development Plans and the Conceptual Development Plan, which proposed Development Agreement and the Conceptual Development Plan related thereto are on file and available for inspection in the office of the City Clerk; and

WHEREAS, the proposed Development Agreement provides that in consideration of the undertakings by Developer, 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 solely toward the Level Apartment phase of the Project 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, subject to reduction in amount owed to Developer, or subject to payment by Developer to the City when applicable, in the amount of \$10,500.00 per unit, per project year, in project years 4-12 for each townhome unit fewer than 25 constructed as required for the rowhome phase of the Project; (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 further agreed 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

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the cost to the City of the non-project generated tax increment financing (TIF) incentive described above for Project years 1-6; to provide an affordable housing component of 10 percent of the Level 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; and to utilize Mid-American Energy's Commercial New Construction Energy Efficiency Program on the Level Apartment phase of the Project to exceed the applicable energy code by at least 20 percent; and

WHEREAS, at its meeting on January 21, 2020, the Urban Design Review Board voted 6-0-1 to recommend approval of final design of the Level Apartment phase of the Project as proposed by the Developer and set forth in the Conceptual Development Plan attached to the Development Agreement, and approval of financial assistance as set forth above and in said Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that:

1. The City Council hereby makes the following findings in support of the proposed Development Agreement with Bridge District Level, LLC, Bridge District II Townhomes, LLC, and Bridge District II, LLC (collectively "Developer"):
 - a. Developer's obligations under the Development Agreement to construct the Project further the objectives of the Metro Center Urban Renewal Plan to preserve and create an environment which will protect the health, safety and general welfare of City residents, and to maintain and expand taxable values and employment opportunities within the Metro Center Urban Renewal Project Area, to increase employment opportunities, and to encourage the development of market-rate and affordable housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in downtown Des Moines.
 - b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under the Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Metro Center Urban Renewal Project Area, and specifically of the East Village, in accordance with the Metro Center Urban Renewal Plan; (ii) it will establish conditions which attract further new investments and prevent the recurrence of blight and blighting conditions; (iii) it will provide a range of affordable and market-rate housing in decent, safe and sanitary conditions in attractive settings to serve employees and other people who would like to live in the downtown area; (iv) it will encourage further private investment and will attract and retain residents and businesses in the East Village area of the Metro Center Urban Renewal Project Area to reverse the pattern of disinvestment; and (v) it will further the City's efforts to retain and create job opportunities within the Metro Center Urban Renewal Project Area which might otherwise be lost.
 - c. The construction of the Project is a speculative venture and the construction and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement.
 - d. The redevelopment of the Property pursuant to the Development Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.

★ Roll Call Number

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2. The Urban Renewal Development Agreement between the City and Bridge District Level, LLC, Bridge District II Townhomes, LLC, and Bridge District II, LLC, and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.

3. The Director of the Office of Economic Development or her designee are directed to submit a copy of the fully executed Development Agreement to the Finance Department for purposes of required Electronic Municipal Market Access disclosure filings.

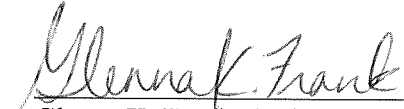
4. Upon requisition by the City Manager or the City Manager's designee, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Development Agreement.

5. The City Manager or his designees are hereby authorized and directed to administer the Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Comm. No. 20-143)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:


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