

Date 4/20/20

RESOLUTION APPROVING APPLICATIONS FOR TAX ABATEMENT ON THE IMPROVEMENTS MADE TO THE NEW PARKING GARAGE AT 235 5th AVENUE

WHEREAS, on September 10, 2018, by Roll Call No. 18-1545, the City Council approved an *Amended and Restated Urban Renewal Agreement for Sale of Land for Private Redevelopment* (the "Agreement") with 5th and Walnut Parking LLC (the "Developer"), represented by Justin Mandelbaum, whereby the Developer agreed to purchase the Fifth and Walnut Parking Garage (the "Property") and to redevelop that Property by the construction of the following "Improvements" in consideration of certain economic incentives to be provided by the City:

- The construction of a parking garage (the "Parking Garage") fronting on 5th Street in the middle of the Property;
- The construction of a 3 or 4 story movie theater with office space on the upper floors, or a hotel with a minimum of 150 guest rooms (the "South Building") fronting on Court Avenue; and,
- The construction of a building (the "Residential Building") fronting on Walnut Street, having at least 39 stories and at least 200 residential dwellings, and having a hotel with at least 120 guest rooms; and,

WHEREAS, on April 3, 2017, by Roll Call No. 17-0620, the City Council amended the Metro Center Urban Renewal Plan to allow the value added to real estate during the construction of the Improvements to the Property described above, to qualify for urban renewal construction period tax abatement under Iowa Code Sec. 403.6(18); and,

WHEREAS, the Developer has demolished the former Fifth and Walnut Parking Garage, has graded the Property, has installed utility lines to serve the Improvements, and has commenced construction of the new Parking Garage; and,

WHEREAS, the Developer has timely submitted an application for tax abatement pursuant to the Metro Center Urban Renewal Plan, on the value added in calendar year 2020 to the tax parcels created within the Property for the new Parking Garage; and,

WHEREAS, the Community Development Department has determined that all the improvements made to the Property in calendar year 2019 are believed to have been made under authority of, and in compliance with, all necessary permits and City approvals.

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

Date 4/20/20

- 1) The Application for tax abatement for the value added to real estate (land and buildings) during the first two years of construction of the new Parking Garage at 235 5th Avenue is hereby received.
- 2) The following findings are hereby adopted:
 - a) The Application was filed with the City on or before February 1st of the assessment year for which the exemption (tax abatement) is claimed;
 - b) The Application is for the value added to real estate (land and buildings) in calendar years 2018 and 2019 by the construction of improvements; and,
 - c) The value added to the real estate by such improvements is eligible for construction period tax abatement under the terms of the Metro Center Urban Renewal Plan.
- 3) Each of the attached applications is approved subject to review and implementation by the County Assessor.
- 4) The City Clerk shall forward a certified copy of this resolution and the Applications to the County Assessor.

MOVED by _____ to adopt.

FORM APPROVED:

Roger K. Brown
 Roger K. Brown, Assistant City Attorney

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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
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.

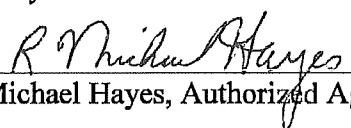
 Mayor

 City Clerk

<p>A confirmation letter is issued by the City upon receipt of this application. This application is not effective and not considered filed until the confirmation letter is issued. Filing does not assure the approval of the amount claimed for abatement. This amount will be determined by the Polk County Assessor's Office upon the City Council approval of this Application. Retain this confirmation as your proof of filing.</p>	<p>Date Received: ____ / ____ / ____</p> <p>Case Number: ____ - ____</p> <p>*For Staff Use Only</p>
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Application to City of Des Moines, Iowa for Construction Period Tax Abatement for Value Added to Real Estate as of January 1, 2020 for an Eligible Urban Renewal Project

<p>Property Owner or Authorized Agent Information</p>	<p><i>Property Address:</i> <u>Current Parcel Address 422 Walnut Street; New Parcel Addresses 235 – 5th Avenue (Parking Unit); 235 – 5th Avenue, Suite A (Commercial Unit A (Commercial Unit 1); 235 – 5th Avenue, Suite B (Commercial Unit 2); 235 – 5th Avenue, Suite C (Commercial Unit 3)</u></p> <p><i>Polk County Assessor's District/Parcel Nos:</i> <u>020/01253-100-003 (Commercial Unit 1); 020/01253-100-004 (Commercial Unit 2); 020/01253-100-005 (Commercial Unit 3); 020/01253-100-006 (Parking Unit)</u></p> <p><i>Title Holder:</i> <u>5th and Walnut Parking, LLC, 4500 Westown Parkway, Suite 115, West Des Moines, Iowa 50266</u></p> <p><i>Owner's Telephone #:</i> <u>(515)-282-5000</u></p> <p><i>Owner's e-mail:</i> <u>justin@mandelbaumproperties.com</u></p> <p><i>Authorized Agent:</i> <u>R. Michael Hayes, Belin McCormick, P.C., 666 Walnut Street, Suite 2000, Des Moines, Iowa 50309, attorney for owner</u></p>
<p>Property Classification</p>	<p>Commercial</p>
<p>Project</p>	<p>Demolition of existing closed City Parking Garage on entire half block and construction of a new parking garage and commercial units 1, 2 and 3 on the Building Site 1 Unit of the 5th and Walnut Condominiums pursuant to that certain Amended and Restated Urban Renewal Agreement for Sale of Land for Private Redevelopment, dated September 10, 2018, which amended and replaced that Urban Renewal Agreement for Sale of Land for Private Redevelopment, dated as of April 3, 2017, as amended, by and between 5th & Walnut Parking, LLC and the City of Des Moines, Iowa</p>

Estimated Completion Date	October 7, 2020
Comments	<p>The entire half block, prior tax parcel 020/01253-000-000 was assessed at \$100 as of January 1, 2018 because the property was occupied by a dilapidated, closed parking garage and the assessor determined that the cost of demolition that would be required before the property could be developed to exceed the value of this land as a development parcel; the parking garage was demolished in 2018; the assessor will assess the land value of this half block as fully ready development parcel; and new construction of the parking garage, including commencement of construction of footings and foundations and other underground work started in 2018; additional work construction work continued in 2019 and the project is expected to be completed in the late summer or fall of 2020</p>
Abatement Schedule	<p>The 20th Amendment to the Urban Renewal Plan for the Metro Center Urban Renewal Project, adopted April 3, 2017, amended Section 17 of this Urban Renewal Plan to all construction period tax abatement on this property pursuant to Iowa Code Section 403.6(18).</p> <p>Iowa Code Section 403.6(18) allows “exclusion from the taxation of value added to the real estate during the process of construction for development or redevelopment. However, the value added during construction shall not be eligible for exclusion from taxation for more than two years and the exclusion shall not apply to a facility which has been more than eighty percent completed as of the most recent date of assessment.”</p> <p>The owner requests exclusion from taxation for the second year for the increase in the assessed value of the four above new tax parcels as of January 1, 2020 over the portion amount of the \$100 January 1, 2018 assessed value for the entire half block that is allocable to these new tax parcels.</p>
<p>Submitted by: I certify these statements are true to the best of my knowledge.</p> <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="text-align: center;">  <hr style="width: 40%; margin: 0 auto;"/> <p>R. Michael Hayes, Authorized Agent for 5th and Walnut Parking LLC</p> </div> <div style="text-align: right;"> <p>January 16, 2020</p> </div> </div>	