

Date January 25, 2021

**RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 3523 6<sup>TH</sup> AVENUE, LLC (JOE CORDARO, RANDY REICHARDT) FOR THE COMMERCIAL RENOVATION OF 3523 6<sup>TH</sup> AVENUE**

**WHEREAS**, 3523 6<sup>th</sup> Avenue, LLC (“Developer”), represented by Joe Cordaro, Principal, Benchmark Real Estate Group and Randy Reichardt, Owner, RWR Development, LLC, proposes to undertake the historic renovation of an existing one-story, approximately 8,870 square-foot building at 3523 6<sup>th</sup> Avenue, within the Oak Park-Highland Park Urban Renewal Area, for commercial uses (collectively “Improvements”), at an estimated total project cost of \$1,760,000.00, subject to receipt of the financial assistance identified below as well as State and Federal Historic Tax Credits; and

**WHEREAS**, the existing building was originally constructed in 1917 as the Euclid Avenue State Bank, is on the National Register of Historic Places, and occupies a visually prominent location within the Highland Park business district and within a Special Investment District established by the City Council, 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 fall 2021 and to be completed within an approximately 12-month period; 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 and in lieu of commercial tax abatement, the City will provide an economic development grant for 15 years on a declining schedule of ninety percent (90%) in years 1-5, eighty-five percent (85%) in years 6-10, and eighty percent (80%) in years 11-15 of the project-generated tax increment (TIF), in the estimated amount of \$534,012.00 (cash basis; \$347,170.00 on a net present value basis at a 4.5 percent discount rate); and

**WHEREAS**, the Developer has agreed as preliminary terms of Agreement to participate in and comply with MidAmerican Energy’s Commercial New Construction program.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with 3523 6<sup>th</sup> Avenue, 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.

★ Roll Call Number

\_\_\_\_\_

Agenda Item Number

\_\_\_\_\_ 32

Date January 25, 2021

(Council Comm. No. 21-032)

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			

\_\_\_\_\_ 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