

Date January 25, 2021

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 3524 6TH AVENUE, LLC (JOE CORDARO, RANDY REICHARDT) FOR THE MIXED-USE MULTI-RESIDENTIAL AND COMMERCIAL RENOVATION OF 3524 6TH AVENUE

WHEREAS, 3524 6th 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 three-story, 11,893 square-foot building at 3524 6th Avenue, within the Oak Park-Highland Park Urban Renewal Area, which is expected to contain approximately 3,800 square-feet of ground floor commercial space and 14 multi-residential units on the upper two floors (collectively “Improvements”), at an estimated total project cost of \$2,600,000.00, subject to receipt of the financial assistance identified below as well as State and Federal Historic Tax Credits and assistance from InvestDSM being sought by the Developer; and

WHEREAS, the existing building was originally constructed in 1915 and occupies a prominent hilltop location on the southwest corner of a major arterial intersection at 6th Avenue and Euclid Avenue, constituting a landmark anchor building within the commercial 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 20 years in the amount of one-hundred percent (100%) of the project-generated tax increment (TIF), in the estimated amount of \$1,671,037.00 (cash basis; \$965,989.00 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 maintain affordability, for the 20-year duration of economic development assistance, of a minimum of ten percent (10%) of the residential units at sixty-five percent (65%) HOME rent limits and restricted to households earning eighty percent (80%) or less of the area median income, in addition to participation in and compliance with MidAmerican Energy’s Commercial New Construction program and subject to a Minimum Assessment Agreement.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with 3524 6th Avenue, LLC, as described above and in the accompanying Council Communication, are hereby received and filed, and the City Manager is

★ Roll Call Number

Agenda Item Number

33

Date January 25, 2021

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. 21-035)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:

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

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include BOESEN, COWNIE, GATTO, GRAY, MANDELBAUM, VOSS, WESTERGAARD, and 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