

Date February 8, 2021

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH STAPEK PARTNERS, LLC (TIM RYPMA) FOR THE HISTORIC RENOVATION OF EXISTING COMMERCIAL BUILDING LOCATED AT 112 SE 4TH STREET

WHEREAS, Stapek Partners, LLC (“Developer”), represented by Tim Rypma, proposes to undertake a historically-compatible renovation of the existing commercial building located at 112 Southeast 4th Street, within the Metro Center Urban Renewal Area, which is expected to consist of first-floor commercial retail or restaurant space with large outdoor green space for patio use, second-floor office space, and four third-floor residential dwelling units (collectively “Improvements”), at an estimated total project cost of \$6,300,000.00, 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 Central Oil Works warehouse building is located at the northern end of the Market District redevelopment area and was originally constructed in 1869, with the remaining portion of the building to be renovated dating back to 1874, 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 the first quarter of 2021 with completion in late 2021; 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 to be paid on a declining schedule of 95% in years 1-10 and 85% in years 11-15 of the tax increment generated by the project, in an estimated amount of \$831,473.00 (cash basis; \$531,394.00 on a net present value basis at a 4.5% discount rate); and

WHEREAS, the Developer has agreed as preliminary terms of Agreement to preserve one of the four apartment units at affordable rates for the duration of the proposed Agreement, to be restricted to households earning eighty percent or less of the area median income, in addition to exceeding applicable Energy Code requirements by seeking participation in and compliance 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 Stapek Partners, 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

34

Date February 8, 2021

(Council Comm. No. 21-064)

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