

Date April 5, 2021

**RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH STAPEK PARTNERS, LLC (TIM RYPMA) FOR THE HISTORIC RENOVATION OF EXISTING COMMERCIAL BUILDING LOCATED AT 112 SE 4<sup>TH</sup> 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 4<sup>th</sup> 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 the first quarter of 2022; and

**WHEREAS**, the City’s Office of Economic Development has negotiated an Urban Renewal Development Agreement with the Developer (the “Development Agreement”), whereby the Developer has agreed to construct the Improvements, in accordance with the Conceptual Development Plan, which proposed Development Agreement and Conceptual Development Plan related thereto are on file in the office of the City Clerk; and

**WHEREAS**, the proposed Development Agreement provides 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 further agreed, as stated in the Development 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; and

**WHEREAS**, at its meeting on February 16, 2021, the Urban Design Review Board voted 7-0-1 to recommend approval of final design of the Improvements as proposed by the Developer and set forth in the Conceptual Development Plan incorporated in the Development Agreement, subject to future

**Date** April 5, 2021

Board review of updates to the outdoor patio area as determined necessary by City staff, and for 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 Stapek Partners, LLC (“Developer”):
  - a. Developer's obligations under the Development Agreement to redevelop the Property for commercial and residential uses 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; to encourage the development 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, work and retain employment in the downtown area; to provide a variety of locations to serve the different housing markets within the City; and to maintain and expand taxable values and employment opportunities within the Metro Center Urban Renewal Project Area.
  - 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 this 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 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 further the City’s efforts to retain and create job opportunities within the Metro Center Urban Renewal Project Area which might otherwise be lost; (iv) it will provide housing in decent, safe and sanitary conditions in an attractive setting to serve employees and other people who would like to live in the downtown area; and (v) it will encourage further private investment and will attract and retain residents and businesses in the downtown area of the Metro Center Urban Renewal Project Area to reverse the pattern of disinvestment and declining resident population.
  - c. The construction of the Project is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement, subject to receipt of the financial assistance identified herein and State and Federal Historic Tax Credits being sought by Developer.
  - 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.

Date April 5, 2021

2. The Urban Renewal Development Agreement between the City and Developer, 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 and attest to, respectively, the Agreement on behalf of the City of Des Moines.
3. The Development Services Director 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 Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Development Agreement.
5. The Department Services Director or designee(s) 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 Department Services Director 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. 21-155)

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