



Date December 20, 2021

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH HOA EVMF LLC (HEART OF AMERICA – CHUCK ULLRICH) FOR CONSTRUCTION OF A MIXED-USE PROJECT LOCATED AT 317 E. 6TH STREET

WHEREAS, HOA EVMF LLC (“Developer”), represented by Chuck Ullrich, Vice President and Chief Financial Officer, proposes to undertake improvements to the property locally known as 317 E. 6th Street at the intersection of East 6th and East Walnut Streets, including demolition of the existing structure and construction of a new 7-story mixed-use building containing approximately 110 residential units and at least 4,000 square feet of commercial space (“Improvements”) in the Metro Center Urban Renewal Area, at an estimated total project cost of \$20,060,000, subject to receipt of the financial assistance identified below; and

WHEREAS, Developer’s undertaking of the Improvements is anticipated to commence in spring 2022, with completion in late 2023; 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 upon project completion of up to \$2,300,000.00 (net present value basis at 4.5% discount rate) in project-generated tax increment financing (TIF) in a declining percentage schedule in project years 9-20; and

WHEREAS, said preliminary terms further provide that Developer will incorporate the following elements into the construction and operation of the Improvements:

- 11 residential units at affordable rates, to be capped at the sixty-five percent HOME rent limits and restricted to households earning eighty percent or less of the area median income;
- Participation in and compliance with MidAmerican Energy’s Commercial New Construction Energy Efficiency Program;
- Installation of a minimum of two electric vehicle charging stations serving at least four parking spaces; and
- Replacement of the traffic signal at East 6th and East Walnut with upgraded black pole and mast arm.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with HOA EVMF 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

Date December 20, 2021

Agenda Item Number

43

(Council Comm. No. 21-550)

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