

Date August 8, 2022

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH UNION AT RIVER’S EDGE, LP (THE ANNEX GROUP) FOR THE CONSTRUCTION OF A NEW 216-UNIT MULTI-FAMILY APARTMENT PROJECT ON PROPERTY LOCATED AT 214 JACKSON AVENUE

WHEREAS, Union At River’s Edge, LP (The Annex Group, 409 Massachusetts Avenue, Suite 300, Indianapolis, IN 46204) (“Developer”), represented by Kyle Bach, General Partner, proposes to construct a new 216-Unit Multi-Family Apartment project on property located at 214 Jackson Avenue.

WHEREAS, the project will consist of two buildings to be constructed simultaneously, including a 6-story building with 192 apartment units, and a 3-story building with 24 apartment units; and

WHEREAS, the project is anticipated to cost approximately \$56.1 million and when completed is expected to provide a rent structure for all units within the project to be at the 60% of median income (AMI) level; 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 provides for tax increment financing (TIF) to respond to a construction financing gap on the project, as presented by the development team and vetted by city staff; and

WHEREAS, under the preliminary terms of the Development Agreement, the project will receive project-generated TIF grant funding representing 100% of the increment on the new building valuation (exclusive of land) commencing in year nine (9) when the residential tax abatement starts declining through year 11, followed by 95% in years 12-15, and 90% in years 16-17, with a capped maximum amount of assistance at \$2.9 million on a net present value (NPV) basis.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Union At River’s Edge, LP, as described above and in the accompanying Council Communication, are hereby received and filed and the City Manager and/or his designee are hereby directed to proceed with negotiation of a development agreement with the Developer or its successor(s) or assignee(s) on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for future consideration by the City Council.

(Council Communication No. 22-357)

MOVED BY _____ TO ADOPT.

SECOND BY _____.

 **Roll Call Number**

Agenda Item Number

38

Date August 8, 2022

APPROVED AS TO FORM:

/s/ Gary D. Goudelock Jr.

Gary D. Goudelock Jr.

Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
COWNIE				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, 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