



Roll Call Number

20-0613

Agenda Item Number

12

Date

4/20/20

RESOLUTION APPROVING APPLICATIONS FOR TAX ABATEMENT ON THE IMPROVEMENTS MADE TO THE NEW PARKING GARAGE AT 235 5th AVENUE

WHEREAS, on September 10, 2018, by Roll Call No. 18-1545, the City Council approved an *Amended and Restated Urban Renewal Agreement for Sale of Land for Private Redevelopment* (the "Agreement") with 5th and Walnut Parking LLC (the "Developer"), represented by Justin Mandelbaum, whereby the Developer agreed to purchase the Fifth and Walnut Parking Garage (the "Property") and to redevelop that Property by the construction of the following "Improvements" in consideration of certain economic incentives to be provided by the City:

- The construction of a parking garage (the "Parking Garage") fronting on 5th Street in the middle of the Property;
- The construction of a 3 or 4 story movie theater with office space on the upper floors, or a hotel with a minimum of 150 guest rooms (the "South Building") fronting on Court Avenue; and,
- The construction of a building (the "Residential Building") fronting on Walnut Street, having at least 39 stories and at least 200 residential dwellings, and having a hotel with at least 120 guest rooms; and,

WHEREAS, on April 3, 2017, by Roll Call No. 17-0620, the City Council amended the Metro Center Urban Renewal Plan to allow the value added to real estate during the construction of the Improvements to the Property described above, to qualify for urban renewal construction period tax abatement under Iowa Code Sec. 403.6(18); and,

WHEREAS, the Developer has demolished the former Fifth and Walnut Parking Garage, has graded the Property, has installed utility lines to serve the Improvements, and has commenced construction of the new Parking Garage; and,

WHEREAS, the Developer has timely submitted an application for tax abatement pursuant to the Metro Center Urban Renewal Plan, on the value added in calendar year 2020 to the tax parcels created within the Property for the new Parking Garage; and,

WHEREAS, the Community Development Department has determined that all the improvements made to the Property in calendar year 2019 are believed to have been made under authority of, and in compliance with, all necessary permits and City approvals.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

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- 1) The Application for tax abatement for the value added to real estate (land and buildings) during the first two years of construction of the new Parking Garage at 235 5th Avenue is hereby received.
- 2) The following findings are hereby adopted:
 - a) The Application was filed with the City on or before February 1st of the assessment year for which the exemption (tax abatement) is claimed;
 - b) The Application is for the value added to real estate (land and buildings) in calendar years 2018 and 2019 by the construction of improvements; and,
 - c) The value added to the real estate by such improvements is eligible for construction period tax abatement under the terms of the Metro Center Urban Renewal Plan.
- 3) Each of the attached applications is approved subject to review and implementation by the County Assessor.
- 4) The City Clerk shall forward a certified copy of this resolution and the Applications to the County Assessor.

MOVED by Gatto to adopt.

*Council Member Mandelbaum abstains from voting based on an appearance of a conflict of interest.
FORM APPROVED:

Roger K Brown
Roger K. Brown, Assistant City Attorney
G:\APPDATA\LEGAL\Urban-Renewal\Metro\Projects\5th & Walnut\Tax Abate\RC Approve Abatement 2nd yr.docx

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
GRAY	✓			
*MANDELBAUM				
VOSS	✓			
WESTERGAARD	✓			
TOTAL	6			

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.

MOTION CARRIED APPROVED

J. M. Frankhu Cownie Mayor

P. Kay Cmelik City Clerk