

★ Roll Call Number  
21-0703

Agenda Item Number  
36

Date May 10, 2021

**RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH URBAN CAMPUS APARTMENTS L.L.P. (JACK HATCH, MICHAEL KIERNAN) FOR THE CONSTRUCTION OF A MULTI-RESIDENTIAL HOUSING PROJECT LOCATED AT 1230 6<sup>TH</sup> AVENUE**

**WHEREAS**, Urban Campus Apartments L.L.P. (“Developer”), represented by Jack Hatch, Principal, Hatch Development Group and by Michael Kiernan, President and Owner, Kiernan Development and Construction, LLC, proposes to undertake new construction of a multi-residential housing project located at 1230 6<sup>th</sup> Avenue, within the Metro Center Urban Renewal Area and known as the Sixth Avenue Flats, which is expected to contain 5 stories and approximately 42 apartments, including a mix of one-, two- and three-bedroom units and a minimum of 5 live/work loft storefront apartments at street level (collectively “Improvements”), at an estimated total project cost of \$9,200,000.00 and subject to receipt of Low-Income Housing Tax Credits (LIHTC) and State Workforce Housing Tax Credits; and

**WHEREAS**, Developer is partnering with the non-profit organization Youth and Shelter Services (YSS) to reserve a portion of apartment units in the Improvements for youth who have been homeless and have aged out of the State foster care program, with the remaining apartments restricted to households earning sixty percent or less of the median area income and with anticipated purchase of the property by Youth and Shelter Services fifteen years following project completion, and Developer is further working with the Des Moines Area Community College (DMACC) to provide educational opportunities to residents through the State of Iowa All Iowa Opportunity Scholarships program; and

**WHEREAS**, construction of the Improvements is anticipated to commence in May 2021 and to be completed in June 2022; 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 forgivable loan to Developer in the amount of \$164,000.00, to be paid upon City’s issuance of the certificate of completion for the Improvements and no earlier than July 1, 2022, with loan forgiveness available in project year 15 subject to full compliance by Developer with said Agreement; and

**WHEREAS**, the Developer has agreed as preliminary terms of Agreement to participate in and comply with MidAmerican Energy’s Commercial New Construction Energy Efficiency Program in accordance with the project’s LIHTC designation.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Urban Campus Apartments L.L.P., 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



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on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for consideration for approval by the City Council.

(Council Comm. No. 21-217)

MOVED BY Gatto 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	7			

MOTION CARRIED

APPROVED

P. M. Frank  
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.

P. Kay Cmelik

City Clerk