



Roll Call Number

21-0978

Agenda Item Number

30

Date June 28, 2021

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH SW9 215, LLC FOR THE CONSTRUCTION OF A 5-STORY, 66-UNIT MULTI-FAMILY HOUSING PROJECT LOCATED ON VACANT, CITY-OWNED PROPERTY AT 215 SW 9TH STREET

WHEREAS, SW9 215, LLC (Kris Sadoris, Officer, Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, IA 50266) (the “Developer”), proposes construct a new 66-unit multi-family residential project located on a vacant .93-acre city-owned property at 215 SW 9th Street; and,

WHEREAS, the project cost to the Developer for are estimated to be \$12,960,000; and,

WHEREAS, the Developer will participate in Mid-American Energy’s Commercial New Construction Energy Efficiency Program, with individual parcel development agreements determining the percentage of energy performance above the energy code that is feasible for each parcel; and,

WHEREAS, developer proposes to purchase City-owned real estate as required by Iowa law and at appraised value; and,

WHEREAS, the Developer has provided the Office of Economic Development with a financial analysis of the project, indicating a gap between actual project costs and the project appraisal and seeks a financial assistance package to be provided from project generated tax increment as more specifically described in the accompanying Council Communication; and,

WHEREAS, the proposed terms are for incentives consisting of reimbursing project generated tax increment on building valuation, exclusive of land, of 100% of the tax increment generated in years 9-13, 95% in year of the tax increment generated in year 14, and 90% of the tax increment generated in years 15 and 16; and,

WHEREAS, the project will additionally be eligible for tax abatement in under the 10-year declining tax abatement schedule.

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

1. The City Council hereby approves the preliminary terms of agreement as set forth in the accompanying Council Communication.
2. Directs the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council.



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3. Directs the City Manager or his designee to submit to the Council a reasonable competitive bidding process for the sale and redevelopment of the City-owned Property for approval, at the same time he submits a proposed final agreement, for acceptance and potential approval.

MOVED by Gatto to adopt.

(Council Communication No. 21-304)

FORM APPROVED:

/s/ Thomas G. Fisher Jr.

Thomas G. Fisher Jr.

Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | ✓ | | | |
| BOESEN | ✓ | | | |
| GATTO | ✓ | | | |
| GRAY | ✓ | | | |
| MANDELBAUM | ✓ | | | |
| VOSS | ✓ | | | |
| WESTERGAARD | ✓ | | | |
| TOTAL | 7 | | | |

MOTION CARRIED

APPROVED

J. M. Franklin Cownie 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