



Roll Call Number

22-0700

Agenda Item Number

37

Date May 9, 2022

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 106 SW 7th STREET, LLC FOR THE PHASED HISTORIC RENOVATION AND CONVERSION OF THE EXISTING 4-STORY WAREHOUSE BUILDING AT 106 SW 7TH STREET INTO OFFICE SPACE AND RENOVATION AND CONVERSION OF THE EXISTING 2-STORY WAREHOUSE BUILDING AT 113 SW 8TH STREET FOR COMMERCIAL SPACE

WHEREAS, 106 SW 7th Street, LLC 519 ½ E. Grand Avenue, Des Moines, IA 50309 (“Developer”), represented by Tim Rypma of Rypma Properties, Managing Manager, proposes to undertake a historic renovation project that will occur over two (2) phases; and

WHEREAS, the first phase is a historically compatible renovation and conversion of the existing 4-story, approximately 46,816-square-foot warehouse building located at 106 SW 7th Street into Class A commercial office space that will include ancillary site improvements such as landscaping and parking lot refurbishment; and

WHEREAS, the second proposed phase is to renovate and convert the existing 2-story 19,520 sq. ft. warehouse building located at 113 SW 8th Street to commercial space that is conducive for restaurant, tavern, or entertainment uses in the Metro Center Urban Renewal Area; and

WHEREAS, construction of phase one is anticipated to commence in summer 2022, with completion in fall 2023 with construction of phase two to follow at an estimated total project cost of \$24,300,000 for both phases, subject to receipt of the financial assistance identified below; 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 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 Agreement will be for a period of twenty years during which time Developer will receive tax increment financing (TIF) incentives generated from the increment on the building valuations with a schedule of 95% in years 1-16 and 90% in years 17-20 with a capped maximum amount of assistance at \$3.7 million for phase one and a capped amount of \$975,000 for phase two

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with 106 SW 7th Street, LLC, 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 on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for future consideration by the City Council.



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(Council Comm. No. 22-225)

MOVED BY Boesen TO ADOPT.

SECOND BY Gatto

APPROVED AS TO FORM:

/s/ Gary D. Goudelock
Gary D. Goudelock
Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include BOESEN, COWNIE, GATTO, MANDELBAUM, SHEUMAKER, VOSS, WESTERGAARD, and TOTAL.

John Fubelli
MAYOR PRO TEM

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