

Agenda Item Number

Date July 18, 2022

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH ASHWORTH DEVELOPMENT LLC FOR THE CONSTRUCTION OF 4-STORY, 32 UNIT MIXED USE PROJECT LOCATED AT 1714 6^{TH} AVENUE

WHEREAS, Ashworth Development LLC ("Developer"), represented by Marquas Ashworth (President), proposes to undertake construction of a new mixed-use project located at 1714 6th Avenue, including 12,000 square feet of commercial space in addition to 32 housing units (collectively "Improvements") in the Metro Center Urban Renewal Area; and

WHEREAS, the proposed project will be home to the Center at Sixth Incubator, a retail and restaurant development space specifically designed to meet the unique needs of Black, Brown and other culturally diverse entrepreneurs; and

WHEREAS, the building will also contain apartment units that are a mix of efficiencies, and one and two-bedroom dwelling units, 51% of which will be required to be offered at affordable rates as follows: a mix of 80% and 65% AMI (50% and 65% HOME rent limits); and

WHEREAS, construction of the Improvements is anticipated to commence in spring 2023 and be completed in fall 2024 at an estimated total project cost of \$10,000,000.00, subject to receipt of the financial assistance identified below; and

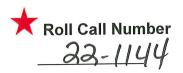
WHEREAS, the Developer seeks reimbursement of project-generated tax increment granted over a 15-year time frame in the following schedule: 80% in years 1-15 on the residential building values and 90% TIF in years 1-15 on the commercial building valuation; and

WHEREAS, the projected total amount of tax increment financing ("TIF") assistance shall to be capped at \$1,250.000.00; 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 this financial assistance package to be provided from project generated tax increment as more specifically described in the accompanying Council Communication.

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

- 1. The City Council hereby approves the preliminary terms of agreement as set forth in the accompanying Council Communication; and,
- 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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(Council Comm. No.	22-	346	
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MOVED BY Shoumaken_ TO ADOPT.

SECOND BY ____

APPROVED AS TO FORM:

/s/ Lisa A. Wieland Lisa A. Wieland

Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	V			
BOESEN				
GATTO	V			
SHEUMAKER				
MANDELBAUM				
voss	/			
WESTERGAARD	V			
TOTAL	1		0	!
IOTION CARRIED		1	/ API	PROVED

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CERTIFICATE

I, LAURA BAUMGARTNER, Acting 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.

Laura Baungartres

Acting City Clerk