



Roll Call Number

23-0914

Agenda Item Number

35

Date June 26, 2023

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 36 ON 6TH, LLC FOR THE RENOVATION OF 3614 6TH AVENUE

WHEREAS, 36 on 6th, L.L.C. (“Developer”), represented by Marquas Ashworth (President), proposes to undertake renovation of the 10,000-square-foot building at 3614 6th Avenue for a mixed-use building, including commercial and multi-family residential uses (collectively “Improvements”) in the Oak Park Highland Park Urban Renewal Area; and

WHEREAS, construction of the Improvements is anticipated to be completed in July 2024 at an estimated total project cost of \$3,500,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, in lieu of commercial tax abatement, the Developer seeks approximately \$774,000 in project-generated tax increment on a cash basis (\$466,232 on a net-present-value at a 4.5% discount rate) to be paid with 95% of the project-generated building TIF in years one (1) through 20; 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 Communication No. 23- 313)

MOVED BY Gatto TO ADOPT.

SECOND BY Voss

APPROVED AS TO FORM:

/s/ Lisa A. Wieland
Lisa A. Wieland
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE	✓			
BOESEN	✓			
GATTO	✓			
SHEUMAKER				✓
MANDELBAUM	✓			
VOSS	✓			
WESTERGAARD	✓			
TOTAL	6			1

MOTION CARRIED

APPROVED

J. M. Franklin Cownie
Mayor

CERTIFICATE

I, LAURA BAUMGARTNER, 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 Baumgartner City Clerk