



**Roll Call Number**

26-0620

**Agenda Item Number**

25

**Date** May 18, 2026

**APPROVING ENVIRONMENTAL COVENANTS BETWEEN MARKET DISTRICT APARTMENTS, LP AND IOWA DEPARTMENT OF NATURAL RESOURCES FOR PROPERTY LOCATED AT 509 SE 6<sup>TH</sup> STREET**

**WHEREAS**, Market District Apartments, LP (“Developer”) owns property in the City locally known as 509 SE 6<sup>th</sup> Street ;and

**WHEREAS**, on or about December 14, 2021, a Phase II Environmental Site Assessment was conducted for a portion of the Property indicating the presence of certain environmental contaminants, including arsenic, lead, benzo(a)anthracene, benzo(b)fluoranthene, benzo(a)pyrene, indeno(1,2,3-c,d)pyrene, dibenz(a,h)anthracene, and tetrachloroethylene in excess of Iowa Statewide Standards; and

**WHEREAS**, on or about July 7, 2025, a Phase II Environmental Site Assessment was conducted for the Property showing certain volatile organic compounds, total extractable hydrocarbons, RCRA 8 metals, and polycyclic aromatic hydrocarbons above Statewide Minimum Standards and others above minimum laboratory detection limits but below Statewide Minimum Standards; and

**WHEREAS**, as a result of the review of the Phase II assessments, the Iowa Department of Natural Resources (“DNR”) notified Developer of certain mitigation plans and environmental covenants that would be required if Developer wished to redevelop the Property; and

**WHEREAS**, Developer now wishes to construct a 4-story, 46-unit apartment building and City wishes to encourage and incentivize such residential construction; and

**WHEREAS**, on April 20, 2026 by Roll Call No. 26-0500, City agreed to remove the restrictive covenants prohibiting residential uses on the Property provided Developer agrees to and abides by certain terms and conditions set forth in the approved Environmental Mitigation Agreement; and

**WHEREAS**, Developer and DNR have agreed upon an Iowa Contaminated Site Environmental Covenant in form attached hereto and are requesting City consent and subordination of City’s mortgage to the covenant. City staff have reviewed and recommend the City consent to the covenant and subordinate the City’s interests in the property to the terms of the covenant in order to fully effectuate the previously-approved Environmental Mitigation Agreement and permit construction of the Improvements required under the City’s Urban Renewal Development Agreement with Developer.



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

- 1. The City Manager is hereby directed and authorized to execute the City Consent and Subordination to the Iowa Contaminated Site Environmental Covenant in form attached hereto along with any accompanying documents approved by the City Attorney or his designee;
2. The City Manager and/or his designee(s) are hereby authorized and directed to administer all Agreements between Developer and City on behalf of the City.
3. As soon as reasonably possible following execution by the City Manager, the City Clerk is directed to submit a copy of the fully executed document to the Finance Department to determine whether disclosure or filing is required for Electronic Municipal Market Access.

(COUNCIL COMMUNICATION NO. 26-186)

MOVED BY Gatto TO APPROVE.

SECOND BY Voss

APPROVED AS TO FORM:

/s/ Gary D. Goudelock Jr.

Gary D. Goudelock Jr.

Assistant City Attorney

Table with 5 columns: COUNCIL ACTION, YEAS, NAYS, PASS, ABSENT. Rows include BOESEN, SIMONSON, VOSS, BARRON, WESTERGAARD, MANDELBAUM, GATTO, and TOTAL (7 yeas).

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.

Connie Boesen

Mayor

Laura Baumgartner

City Clerk