



Roll Call Number

25-0189

Agenda Item Number

25

Date February 10, 2025

**RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH NEWBURY MANAGEMENT COMPANY AND NEWBURY COMMONS ASSOCIATES, L.P. FOR THE CONSTRUCTION OF A 49-UNIT APARTMENT BUILDING LOCATED AT 401 SE 7<sup>TH</sup> STREET TO BE KNOWN AS NEWBURY COMMONS**

**WHEREAS**, Newbury Management Company and Newbury Commons Associates, L.P. (collectively referred to as "Developer"), represented by Frank Levy, proposes to undertake the construction of a three story, 49-unit apartment building located at 401 SE 7<sup>th</sup> Street on a .82 acre infill site (collectively "Improvements") in the Metro Center Urban Renewal Area; and

**WHEREAS**, construction of the Improvements is anticipated to be completed in 2027 at an estimated total project cost of \$13,830,000.00, subject to receipt of the financial assistance identified below; and

**WHEREAS**, the Developer seeks economic development incentives in the form of (1) reimbursement from the taxable building valuations (exclusive of land) of 95% in years one (1) through eight (8), 60% in years nine (9) and ten (10), 40% in years eleven (11) through thirteen (13), and 30% in years fourteen (14) and fifteen (15) with a cap of \$560,000 on a net present value basis; and (2) a forgivable loan in the amount of \$376,320 for the acquisition of an adjacent City-owned 16,800 square foot remnant parcel that will be included as part of the development plan; 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. The City Manager or his designee are directed to negotiate final terms of agreement for future consideration by the City Council.

(Council Communication No. 25- 061 )

MOVED BY Gatto TO ADOPT SECOND BY Voss

APPROVED AS TO FORM:

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



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COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
SIMONSON	✓			
VOSS	✓			
COLEMAN	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
TOTAL	7			
MOTION CARRIED		APPROVED		

*Connie Boesen*

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