

★ Roll Call Number
26-0309

Agenda Item Number
25

Date March 9, 2026

RESOLUTION APPROVING FINAL TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH MARKET DISTRICT APARTMENTS, LP FOR THE CONSTRUCTION OF FOUNDRY LOFTS, A 46-UNIT APARTMENT BUILDING LOCATED AT 509 SE 6TH STREET

WHEREAS, Foundry Lofts, LP (“Developer”), represented by Danielle Welch Massey, Development Director, Gratus Development LLC and Jake Christensen, President, Christensen Development, proposes to undertake the construction of the Foundry Lofts, a 46-unit apartment building located at 509 SE 6th Street, Des Moines, Iowa (collectively “Improvements”) in the Metro Center Urban Renewal Area; and

WHEREAS, construction of the Improvements is anticipated to be completed in late 2027 at an estimated total project cost of \$15 million, subject to receipt of the financial assistance identified below; and

WHEREAS, pursuant to Roll Call No. 25-0123, approved on January 27, 2025, the City Council directed the City Manager to proceed with negotiation of a Development Agreement with the Developer for the project; and

WHEREAS, the City’s Office of Economic Development has negotiated an Urban Renewal Development Agreement (the “Development Agreement”) with the Developer, whereby the Developer has agreed to construct the Improvements, in accordance with the Conceptual Development Plan, which proposed Development Agreement and Conceptual Development Plan related thereto are on file in the office of the City Clerk; and

WHEREAS, the proposed Development Agreement provides that in consideration of the Developer’s commencement and completion of the Improvements the City will provide tax-increment financing in a maximum amount of \$625,000 on a net-present-value basis representing 95% of increment for 15. In addition, the City will provide Developer a loan in the amount of \$189,000 to be used to acquire an 8,420 square foot, city-owned lot at 515 SE 6th Street; and

WHEREAS, the Developer has further agreed, as stated in the Development Agreement, to participate in the Des Moines Area Regional Transit (DART) Authority Unlimited Access Program to provide free use of DART buses to property tenants, to devote a minimum of 19 apartment units to affordable housing by keeping the average rental rate at no more than 60% rent limits for Polk County and

WHEREAS, at its meeting on February 3, 2026 the Urban Design Review Board voted 9-0 to recommend approval of final design of the Improvements as proposed by the Developer and set forth in the Conceptual Development Plan incorporated in the Development Agreement.

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



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1. The City Council hereby makes the following findings in support of the proposed Development Agreement with Developer:

- a. Developer's obligations under the Development Agreement to construct the Foundry Lofts further the objectives of the Metro Center Urban Renewal Plan to encourage and facilitate high quality commercial, mixed use and residential uses and the associated employment opportunities and slum and blight elimination within the Plan area; provide a diversity of housing options to accommodate residents of all ages, income levels, household sizes, and cultural backgrounds; preserve, maintain, and improve the existing inventory of multi-family housing; foster economic prosperity and stability by retaining existing businesses; further Des Moines' revitalization efforts to improve the strength, stability, and vitality of the Project Area; and protect Des Moines' historic and cultural assets that contribute to neighborhood and community identity.
- b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under this Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will encourage and assist with the redevelopment and/or removal of blighted, obsolete, and underutilized properties within the Project Area; (ii) it will facilitate the development and re-development of commercial, mixed use and residential uses for the creation and retention of jobs in the City of Des Moines; (iii) it will provide a diversity of housing options; increase the overall tax base; and (iv) it will maximize the return on past investment in road and public utility networks.
- c. The construction of the Project is a speculative venture and the construction and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement.
- d. The development of the Property pursuant to the Development Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.

2. The Urban Renewal Development Agreement between the City and Developer, and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and attest to, respectively, the Agreement on behalf of the City of Des Moines.

3. As soon as reasonably possible following execution by the Mayor and attestation by the City Clerk, the City Clerk is directed to submit a copy of the fully executed Development Agreement to the Finance Department to determine whether disclosure or filing is required for Electronic Municipal Market Access.

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4. Upon requisition by the Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Development Agreement.

5. The City Manager or designee(s) are hereby authorized and directed to administer the Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The City Manager or designee(s) is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Communication No. 26-092)

MOVED BY Gatto TO ADOPT. SECOND BY Voss

APPROVED AS TO FORM:

/s/ Gary D. Goudeock Jr.
Gary D. Goudeock Jr, Assistant City Attorney

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

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