

Date February 24, 2020

RESOLUTION APPROVING PRELIMINARY TERMS FOR AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH NELSON DEVELOPMENT FOR THE CONSTRUCTION OF A MIXED USE BUILDING LOCATED ON THE SOUTHWEST CORNER OF 26TH STREET AND UNIVERSITY AVENUE, ACROSS FROM DRAKE UNIVERSITY

WHEREAS, Nelson Development (Alexander Grgurich, 505 5th Avenue, Des Moines, IA 50309) proposes to construct an approximately 83,000-square-foot, 4-story mixed use building on property located at the southeast corner of 26th Street and University Avenue, across from Drake University; and,

WHEREAS, the proposed building will include approximately 6000 square feet of commercial space 135 residential units varying in size from 330 square feet to 940 square feet and include fourteen units to be rented at the 80% low-moderate income (LMI) level; and,

WHEREAS, the project is anticipated to cost approximately \$21 million and would begin construction in Summer 2020; and,

WHEREAS, the Developer will participate in Mid-American Energy's Commercial New Construction Energy Efficiency Program and a final agreement will determine the percentage of energy performance above the energy code that is feasible for the project; and,

WHEREAS, the Developer seeks reimbursement for the commercial area of the building (exclusive of land) at receive 100% of the project-generated tax increment for 15 years, and 70% for years 16 and 17 and of 40% of the multi-family project-generated TIF in year 9, 60% of the project-generated TIF in year 10, 100% of the project-generated TIF in years 11 through 15; and 70% of project-generated TIF in years 16 and 17 for LMI portion of the multi-family project; 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 a financial assistance package to be provided from project generated tax increment and tax abatement 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,

★ Roll Call Number

Agenda Item Number

28

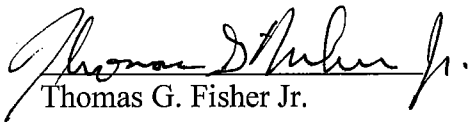
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- 2. Directs the City Manager or his designee to negotiate final terms of agreement for future consideration by the City Council.

MOVED by _____ to adopt.

(Council Communication No. 20-)

FORM APPROVED:


 Thomas G. Fisher Jr.

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
GRAY				
MANDELBAUM				
VOSS				
WESTERGAARD				
TOTAL				

CERTIFICATE

I, P. Kay Cmelik, 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.

MOTION CARRIED APPROVED

Mayor

City Clerk