

Date: August 5, 2020 reconvened from August 3, 2020

RESOLUTION APPROVING URBAN RENEWAL DEVELOPMENT AGREEMENT WITH REAGAN PARTNERS, LLC (TIM RYPMA, PAUL COWNIE AND JEREMY CORTRIGHT), AND APPROVING CONCEPTUAL DEVELOPMENT PLAN, FOR THE HISTORIC RENOVATION OF THREE MULTIFAMILY APARTMENT BUILDINGS LOCATED AT 2801 GRAND AVENUE

WHEREAS, Reagan Partners, LLC (“Developer”), represented by Tim Rypma, Paul Cownie and Jeremy Cortright, Development Members, proposes to undertake a historic renovation of three existing multifamily apartment buildings located at 2801 Grand Avenue (“Property”), which is expected to contain a mix of approximately 47 efficiency and one-bedroom apartment units (“Improvements”), at an estimated total project cost of \$8,300,000.00, subject to receipt of the financial assistance identified below and State and Federal Historic Tax Credits being sought by the Developer; and

WHEREAS, the existing buildings were originally constructed in 1917, 1920 and 1921, and the Developer is working with the State Historic Preservation Office (SHPO) on design requirements and intends to undertake the renovation consistent with the Secretary of the Interior’s Standards and Guidelines for Historic Rehabilitation; and

WHEREAS, construction of the Improvements is anticipated to commence in fall 2020; and

WHEREAS, on March 23, 2020, pursuant to Roll Call No. 20-0532, the City Council directed the City Manager to proceed with negotiation of a development agreement with Reagan Partners, LLC, for said Project; and

WHEREAS, the City Manager has negotiated an Urban Renewal Development Agreement (the “Development Agreement”) preliminary terms of an Urban Renewal Development Agreement with the Developer, whereby the Developer has agreed to construct the Project, in accordance with a Conceptual Development Plan, which proposed Development Agreement and Conceptual Development Plan related thereto are on file and available for inspection in the office of the City Clerk and on the City of Des Moines website in relation to Urban Design Review Board review; and

WHEREAS, the proposed Development Agreement provides that in consideration of the Developer’s commencement and completion of the Improvements and use of the Property in accordance with affordability requirements, the City will provide economic development assistance in the form of a forgivable loan, in a total amount not to exceed \$1,395,000.00 (cash basis; \$994,627.00 on a net present value basis at a four percent (4%) discount rate), to be advanced in biannual installments in project years 1-13 from the tax increment generated by the Ingersoll Grand Commercial Urban Renewal Area and to be used for the affordable (low-moderate income) housing units included in the Improvements; and

WHEREAS, the Developer has agreed to preserve fifty percent, or at least 24, of the apartment units at a variety of affordable rates for at least 20 years, including a minimum of ten percent of the

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units (5 units) to be capped at the fifty percent HOME rent limits and restricted to households earning fifty percent or less of the area median income, and a minimum of forty percent of the units (19 units) to be capped at the sixty-five percent HOME rent limits and restricted to households earning eighty percent or less of the area median income, in addition to participation in and compliance with MidAmerican Energy's Commercial New Construction Energy Efficiency Program, the installation of a minimum of two electric vehicle charging stations on site, and accommodation of persons displaced from the Property by Developer's completion of the Improvements, all as more fully described in the Development Agreement; and

WHEREAS, at its meeting on June 16, 2020, the Urban Design Review Board voted 7-0 to recommend approval of final design of the Project as proposed by the Developer and set forth in the Conceptual Development Plan attached to the Development Agreement, and approval of financial assistance as set forth above and in said Agreement.

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

1. The City Council hereby makes the following findings in support of the proposed Development Agreement with Reagan Partners, LLC ("Developer"):
 - a. Developer's obligations under the Development Agreement to construct the Project further the goals and objectives of the Ingersoll-Grand Commercial Urban Renewal Plan to encourage development with the following attributes: (1) place-making with development that respects the neighborhood's character and human-scale, design and historic features while creating attractive live/work/play environments; and (2) livability to provide an attractive and appealing physical environment for residents.
 - 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 the Agreement to construct the Improvements, will generate the above-stated public gains and benefits.
 - 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, subject to receipt of the financial assistance identified below and State and Federal Historic Tax Credits being sought by the Developer.
 - d. The redevelopment 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 Reagan Partners, LLC, and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk,



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are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute the Agreement on behalf of the City of Des Moines.

3. The Development Services Director (Office of Economic Development) or her designee are directed to submit a copy of the fully executed Development Agreement to the Finance Department for purposes of required Electronic Municipal Market Access disclosure filings.

4. Upon requisition by the City Manager or the City Manager's designee, 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 his designees 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 is further authorized and directed to approve and administer minor amendments to the Agreement, and to submit any substantive amendments to the Agreement to City Council for consideration.

(Council Comm. No. 20-345)

MOVED BY _____ TO ADOPT.

APPROVED AS TO FORM:

/s/ Glenna K. Frank

Glenna K. Frank, Assistant City Attorney

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

MOTION CARRIED

APPROVED

Mayor

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.

City Clerk