



Date September 14, 2020

**RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 217 E SECOND LC (JAKE CHRISTENSEN) FOR THE RENOVATION OF THE EXISTING 20,500-SQUARE FOOT COMMERCIAL BUILDING LOCATED AT 217 EAST 2<sup>ND</sup> STREET FOR COMMERCIAL AND OFFICE USES**

**WHEREAS**, 217 E Second LC (“Developer”), represented by Jake Christensen of Christensen Development, proposes to undertake a historic renovation of the existing Globe Hoist commercial building located at 217 East 2<sup>nd</sup> Street, and replacement of all systems, utilities, and finishes associated therewith (“Improvements”), for commercial and office uses at an estimated total project cost of \$6,300,000.00, 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 building was originally constructed in 1928 and currently has a commercial tax-exempt property taxation status, 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 with completion in late 2021; and

**WHEREAS**, the City’s Office of Economic Development has negotiated preliminary terms of an Urban Renewal Development Agreement with the Developer, all as more specifically described in the accompanying Council Communication, which provide that in consideration of the Developer’s commencement and completion of the Improvements, the City will provide an economic development grant in a total amount not to exceed \$850,000.00 (net present value basis at a four percent (4.5%) discount rate; approximately \$1,200,000.00 on a cash basis), to be paid on a sliding scale from ninety-five percent to seventy-five percent in project years 1-15 from the tax increment generated by the project; and

**WHEREAS**, the Developer has agreed as preliminary terms of Agreement to follow recommendations for air quality from the American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) as a result of the COVID-19 pandemic, in addition to participation in and compliance with MidAmerican Energy’s Commercial New Construction Energy Efficiency Program.



Roll Call Number

\_\_\_\_\_

Agenda Item Number

\_\_\_\_\_ 47

Date September 14, 2020

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with 217 E Second LC, as described above and in the accompanying Council Communication, are hereby received and filed, and the City Manager is hereby directed to proceed with negotiation of a development agreement with the Developer on final terms of an Urban Renewal Development Agreement consistent with the preliminary terms for consideration for approval by the City Council.

(Council Comm. No. 20-386 )

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

**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.

\_\_\_\_\_ Mayor

\_\_\_\_\_ City Clerk