

Date October 5, 2020

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH SPOT 515, LLC (RANDY REICHARDT) FOR THE RENOVATION OF THE EXISTING 12,100-SQUARE FOOT COMMERCIAL BUILDING LOCATED AT 515 28TH STREET FOR RESTAURANT AND COMMERCIAL USES

WHEREAS, Spot 515, LLC (“Developer”), represented by Randy Reichardt, Owner, proposes to undertake a renovation of the existing Iowa Lithographing Company commercial building, located at 515 28th Street (“Improvements”) in the Ingersoll-Grand Commercial Urban Renewal Area, for restaurant and commercial uses at an estimated total project cost of \$2,200,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, the existing building, originally constructed in 1925, has been vacant for a number of years and remains structurally intact subject to significant deferred roof maintenance issues, previous demolition of most interior improvements, and asbestos, lead-based paint, and environmental concerns, all to be addressed during rehabilitation and construction of the Improvements as anticipated to commence in late 2020 with completion in spring 2022; 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 from the tax increment generated by the Improvements in the amount of ninety-five percent (95%) of project-generated TIF in project years 1-5 and ninety percent (90%) of project-generated TIF in project years 6-10, in an estimated total amount of \$730,000.00 (on a cash basis; \$527,000.00 on a net present value basis at a four percent (4.5%) discount rate); and

WHEREAS, the Developer has agreed as preliminary terms of Agreement to participate in and compliance with MidAmerican Energy’s Commercial New Construction Energy Efficiency Program, which may include roof design to accommodate solar installation to reduce energy usage in common areas.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Spot 515, LLC, 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.

★ Roll Call Number

Agenda Item Number

31

Date October 5, 2020

(Council Comm. No. 20.429)

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