

Date December 7, 2020

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH TREE HOUSE PARTNERS, LLC (TIM RYPMA, PAUL COWNIE AND JEREMY CORTRIGHT) FOR THE HISTORIC RENOVATION OF THREE MULTI-RESIDENTIAL APARTMENT BUILDINGS LOCATED AT 2315 GRAND AVENUE

WHEREAS, Tree House Partners, LLC (“Developer”), represented by Tim Rypma of Rypma Properties, Paul Cownie, and Jeremy Cortright, Development Members, proposes to undertake the historic renovation of three existing multi-residential apartment buildings located at 2315 Grand Avenue, within the Ingersoll Grand Commercial Urban Renewal Area, which is expected to contain a mix of approximately 93 efficiency, one-bedroom, and two-bedroom apartment units, as well as construction of approximately 73 surface parking stalls and an outdoor dog run and amenity space (collectively “Improvements”), at an estimated total project cost of \$16,859,500.00, 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 1923, 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 2021 and to be completed within a 20-month period; 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 forgivable loan in a total amount not to exceed \$2,400,000.00 (cash basis; \$1,887,015.00 on a net present value basis at a four percent (4%) discount rate), to be paid in semi-annual installments of \$100,000.00 per installment in project years 1-12 (December 2024 through June 2036) from the tax increment generated by the project and to be used for the affordable (low-moderate income) housing units included in the Improvements; and

WHEREAS, the Developer has agreed as preliminary terms of Agreement to preserve twenty percent of the apartment units at affordable rates for a twenty-year period, including a minimum of ten percent of the units (9 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 ten percent of the units (10 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 and the installation of a minimum of two electric vehicle charging stations on site.

★ Roll Call Number

Agenda Item Number

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Date December 7, 2020

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with Tree House Partners, 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.

(Council Comm. No. 20-531)

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