

Date May 9, 2022

**RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 106 SW 7<sup>TH</sup> STREET, LLC FOR THE PHASED HISTORIC RENOVATION AND CONVERSION OF THE EXISTING 4-STORY WAREHOUSE BUILDING AT 106 SW 7<sup>TH</sup> STREET INTO OFFICE SPACE AND RENOVATION AND CONVERSION OF THE EXISTING 2-STORY WAREHOUSE BUILDING AT 113 SW 8<sup>TH</sup> STREET FOR COMMERCIAL SPACE**

**WHEREAS**, 106 SW 7<sup>th</sup> Street, LLC 519 ½ E. Grand Avenue, Des Moines, IA 50309 (“Developer”), represented by Tim Rypma of Rypma Properties, Managing Manager, proposes to undertake a historic renovation project that will occur over two (2) phases; and

**WHEREAS**, the first phase is a historically compatible renovation and conversion of the existing 4-story, approximately 46,816-square-foot warehouse building located at 106 SW 7<sup>th</sup> Street into Class A commercial office space that will include ancillary site improvements such as landscaping and parking lot refurbishment; and

**WHEREAS**, the second proposed phase is to renovate and convert the existing 2-story 19,520 sq. ft. warehouse building located at 113 SW 8<sup>th</sup> Street to commercial space that is conducive for restaurant, tavern, or entertainment uses in the Metro Center Urban Renewal Area; and

**WHEREAS**, construction of phase one is anticipated to commence in summer 2022, with completion in fall 2023 with construction of phase two to follow at an estimated total project cost of \$24,300,000 for both phases, subject to receipt of the financial assistance identified below; 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 provides for tax increment financing (TIF) to respond to a financing gap on the project, as presented by the development team and vetted by city staff; and

**WHEREAS**, under the preliminary terms of the Development Agreement, the Agreement will be for a period of twenty years during which time Developer will receive tax increment financing (TIF) incentives generated from the increment on the building valuations with a schedule of 95% in years 1-16 and 90% in years 17-20 with a capped maximum amount of assistance at \$3.7 million for phase one and a capped amount of \$975,000 for phase two

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with 106 SW 7<sup>th</sup> Street, LLC, as described above and in the accompanying Council Communication, are hereby received and filed and the City Manager and/or his designee are 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 future consideration by the City Council.



Roll Call Number

\_\_\_\_\_

Agenda Item Number

\_\_\_\_\_ 37

Date May 9, 2022

(Council Comm. No. 22-225)

MOVED BY \_\_\_\_\_ TO ADOPT.

SECOND BY \_\_\_\_\_.

APPROVED AS TO FORM:

/s/ Gary D. Goudelock  
Gary D. Goudelock  
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN				
COWNIE				
GATTO				
MANDELBAUM				
SHEUMAKER				
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