

Date October 3, 2022

RESOLUTION APPROVING FIRST AMENDMENT OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 13TH & MULBERRY, LLC (JOSH ABERSON, BYRON SCHAFERSMAN AND TIM RYPMA) AND 13TH AND MULBERRY MULTIFAMILY, LLC, FOR THE CONSTRUCTION OF A 5-STORY MIXED-USE BUILDING ON ADJACENT LOT NORTHWEST OF 13TH AND MULBERRY

WHEREAS, On December 21, 2020, by Roll Call 20-2118, the City Council approved final terms of an urban development agreement with 13th and Mulberry, LLC and 13th and Mulberry Multifamily, LLC (Josh Aberson and Byron Schafersman of Green Acre Development, Lloyd Companies, and Tim Rypma of Rypma Properties, Owners and Developers, 230 S Phillips Avenue, #205, Sioux Falls, SD 57107) for a \$22.7 million project occurring over two (2) phases. The first phase was a historic renovation of the existing 1-story, approximately 15,000-square-foot building located at 213 13th Street for commercial office uses with approximately 30-underground parking spaces. The second phase proposed is to construct a new mixed-use building on the adjacent lot to the west of 13th Street with a minimum of 5-stories, 81 apartment units, and 3,000 square feet of commercial retail space. The amended terms negotiated are with respect to the second phase of the project; and

WHEREAS, the Office of Economic Development has negotiated amended terms of an urban renewal development agreement with 13th & Mulberry, LLC, and 13th and Mulberry Multifamily, LLC, which provides for tax increment to serve as a core mechanism for responding to a financing gap on the second phase of the project, as presented by the development team; and

WHEREAS, the proposed First Amendment to the Urban Renewal Development Agreement is on file and available for inspection in the offices of the City Clerk and proposes the following changes:

- Incentives generated from the increment of the building valuations with a schedule of 100% in years one (1) through seven (7), 95% in years eight (8) through 12, 90% in years 13-16, 80% in years 17-18 and 70% in years 19-20.
- The number of affordable units will double in this first amendment to the development agreement, from 10% to 20%. Rents will not exceed a maximum of the 65% HOME rent limits annually as determined by the United States Department of Housing and Urban Development (HUD) for the Des Moines-West Des Moines metropolitan statistical area and restricted to households earning at or below the HOME 80% income limits.

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

1. That the First Amendment of the Urban Renewal Development Agreement is 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.
2. The City Manager or his designees are hereby authorized and directed to administer the Agreement as Amended and to monitor compliance with the terms and conditions thereof.

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The City Manager is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

- 3. The Development Services Director or her designee is directed to submit a copy of the fully executed Amended Development Agreement to the Finance Department to enable the Finance Director to make any appropriate disclosure filings in accordance with the City's adopted revised Disclosure Policy.

(Council Communication No. 22- 460)

Moved by _____ to adopt. Second by _____

APPROVED AS TO FORM:

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

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
MANDELBAUM				
SHEUMAKER				
VOSS				
WESTERGAARD				
TOTAL				

MOTION CARRIED

APPROVED

CERTIFICATE

I, LAURA BAUMGARTNER, 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