

Date February 6, 2023

RESOLUTION APPROVING FINAL TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH HOYT, LLC FOR THE CONSTRUCTION OF A 47-UNIT APARTMENT BUILDING AT 610 16TH STREET AND APPROVING CONCEPTUAL DEVELOPMENT PLAN

WHEREAS, Hoyt, LLC (“Developer”), represented by Ryan Wade, Partner, proposes to undertake construction of a 47-unit apartment building on a currently vacant site located at 610 16th Street (collectively “Improvements”) in the Metro Center Urban Renewal Area; and

WHEREAS, the apartment building will include a mix of studio, one-bedroom, and two-bedroom units and will be completed using all-electric construction; and

WHEREAS, construction of the Improvements is anticipated to commence in the spring of 2023 with completion anticipated in the summer of 2024, and the estimated total project cost is \$10,500,000.00, subject to receipt of the financial assistance identified below; and

WHEREAS, pursuant to Roll Call No. 22-1526, approved on October 3, 2022, the City Council directed the City Manager to proceed with negotiation of a Development Agreement with the Developer for the project; and

WHEREAS, the City’s Office of Economic Development has negotiated an Urban Renewal Development Agreement (the “Development Agreement”) with the Developer, whereby the Developer has agreed to construct the Improvements, in accordance with the Conceptual Development Plan, which proposed Development Agreement and Conceptual Development Plan related thereto are on file in the office of the City Clerk; and

WHEREAS, Developer anticipates applying for 10-year declining residential tax abatement on the project; and

WHEREAS, the proposed Development Agreement provides that in consideration of the Developer’s timely completion of the Improvements, the City will provide an economic development grant for grant for 10 years in the following percentages of the project-generated tax increment (TIF) for taxable building valuations (exclusive of land) in 95% in years nine (9) through twelve (12), 90% in years thirteen (13) through fifteen (15), 85% in years sixteen (16) through eighteen (18), capped at \$940,000; and

WHEREAS, at its meeting on January 24, 2023, the Urban Design Review Board voted 6-0 to recommend approval of final design of the Improvements as proposed by the Developer and set forth in the Conceptual Development Plan incorporated in the Development Agreement, and voted 7-0 to recommend approval of financial assistance as set forth above and in said Agreement.



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

1. The City Council hereby makes the following findings in support of the proposed Development Agreement with Developer:

- a. Developer's obligations under the Development Agreement to develop the Property for a 47-unit apartment building, furthers the objectives of the Metro Center Urban Renewal Plan to encourage and facilitate clearing, reconstructing, and/or rehabilitating slum and/or blighted areas in the City; to stimulate economic revitalization of the Urban Renewal Area; to encourage use of under-utilized land in the Urban Renewal Area; to remove conditions within the Urban Renewal Area that have prevented normal development of land by private enterprise; and to remove stagnant and unproductive conditions of land which is otherwise useful and viable for contributing to the public health, safety, and welfare.
- b. The economic development incentives for the development of the Project are provided by the City pursuant to the Urban Renewal Law and Chapter 15A of the Code of Iowa, and Developer's obligations under this Agreement to construct the Improvements will generate the following public gains and benefits: (i) it will advance the improvement and redevelopment of the Project Area in accordance with the Urban Renewal Plan; (ii) it will protect the health, safety, and general welfare of City residents; (iii) it will maintain and expand taxable property; and (iv) it will alleviate a shortage of housing.
- c. The construction of the Project is a speculative venture and the construction and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement.
- d. The development of the Property pursuant to the Development Agreement, and the fulfillment generally of the Agreement, are in the vital and best interests of City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable state and local laws and requirements under which the Project has been undertaken, and warrant the provision of the economic assistance set forth in the Agreement.

2. The Urban Renewal Development Agreement between the City and Developer, and the Conceptual Development Plan attached thereto, both as on file in the office of the City Clerk, are hereby approved, and the Mayor and City Clerk are hereby authorized and directed to execute and attest to, respectively, the Agreement on behalf of the City of Des Moines.

3. The Director of the Office of Economic Development or her designee are directed to submit a copy of the fully executed Development Agreement to the Finance Department for purposes of required Electronic Municipal Market Access disclosure filings.



Roll Call Number

Agenda Item Number

27

Date February 6, 2023

4. Upon requisition by the Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to Article 4 of the Development Agreement.

5. The Development Services Director or designee(s) are hereby authorized and directed to administer the Development Agreement on behalf of the City, and to monitor compliance by the Developer with the terms and conditions of the Agreement. The Development Services Director is further directed to forward to City Council all matters and documents that require City Council review and approval in accordance with the Agreement.

(Council Communication No. 23-070)

MOVED BY _____ TO ADOPT.

Second by _____.

APPROVED AS TO FORM:

/s/ Lisa A. Wieland

Lisa A. Wieland, Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
BOESEN				
GATTO				
SHEUMAKER				
MANDELBAUM				
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