



Roll Call Number

23-1620

Agenda Item Number

24

Date November 20, 2023

RESOLUTION APPROVING PRELIMINARY TERMS OF AN URBAN RENEWAL DEVELOPMENT AGREEMENT WITH 1435 MULBERRY, LLC FOR THE CONSTRUCTION OF A NEW 202-UNIT MIXED-USE APARTMENT PROJECT ON PROPERTY LOCATED AT 1435 MULBERRY

WHEREAS, 1435 Mulberry, LLC (“Developer”), represented by Double Eagle Development proposes to construct a new 202-Unit, Mixed-Use Apartment project on property located at 1435 Mulberry in Des Moines; and

WHEREAS, the 220,010 square foot project will include a mix of studio, junior one-bedroom, one-bedroom, one-bedroom + den, and two-bedroom apartments contained on levels three (3) through seven (7); and

WHEREAS, the project is anticipated to cost approximately \$62 million with construction expected to begin in the fall of 2024 and be completed in the spring of 2026; 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 construction 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 project will receive project-generated TIF grant funding representing 95% of the increment on the new building valuation (exclusive of land) commencing in year nine (9) when the residential tax abatement starts declining through year 20, with a capped maximum amount of assistance at \$5.3 million on a net present value (NPV) basis.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that the preliminary terms of agreement with 1435 Mulberry, 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 or its successor(s) or assignee(s) on final terms of an Urban Renewal Development Agreement not inconsistent with the preliminary terms for future consideration by the City Council.

(Council Communication No. 23- 513)

Moved by Mandelbaum to adopt. Second by Voss
Direct the City Manager to bring back additional discussion of items identified by Council Member Mandelbaum in Council discussions.



Roll Call Number

23-1620

Agenda Item Number

24

Date November 20, 2023

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	✓			
COLEMAN	✓			
VOSS	✓			
WESTERGAARD	✓			
TOTAL	7			
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.

J. M. Frankie Cownie Mayor

Laura Baumgartner City Clerk