



Roll Call Number

24-0114

Agenda Item Number

30

Date January 22, 2024

RESOLUTION APPROVING FINAL 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, on or about November 20, 2023 by Roll Call No. 23-1620, the City Council approved preliminary terms, 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 authorized City staff to negotiate final terms of an Urban Renewal Development Agreement; and

WHEREAS, pursuant to the authority and direction of Roll Call No. 23-1620, the City’s Office of Economic Development has negotiated final terms of an Urban Renewal Development Agreement as detailed in the accompanying council communication and Development Agreement in form on file in the Office of the City Clerk; and

WHEREAS, at its meeting on or about December 19, 2023, the Urban Design Review Board recommended approval of the final design and financial assistance outlined in the Conceptual Development Plan and Development Agreement by a vote of 8-0 with two members absent.

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

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 1435 Mulberry, LLC (“Developer”):



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- a. The fulfillment of Developer's obligations under the Development Agreement to redevelop the Project for multifamily, affordable housing further the goals and objectives of the Metro Center Urban Renewal Plan by generating 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 values;
 - iv. it will establish conditions which attract further new investments and prevent the recurrence or spread of blight and blighting conditions to the surrounding area; and
 - v. it will further the City's efforts to retain and create job opportunities within the Project Area and surrounding area which might otherwise be lost.
 - 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 the Development Agreement to construct the Project will generate the public gains and benefits stated above in subsection (a).
 - c. The construction of the Project is a speculative venture and the construction and resulting benefits would not occur without the economic incentives provided by the Development Agreement.
 - d. The development of the Project 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 1435 Mulberry, LLC 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



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- Clerk are hereby authorized and directed to execute and attest to, respectively, the Agreement on behalf of the City of Des Moines.
3. The City Manager or his 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.
 4. Upon requisition by the Office of Economic Development, the Finance Department shall advance the installments on the Economic Development Assistance pursuant to the terms of the Development Agreement.
 5. The Department 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 Department 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. 24-024)

Moved by Gatto to adopt. Second by Coleman

APPROVED AS TO FORM:
/s/ Gary D. Goudelock Jr.
Gary D. Goudelock Jr.
Assistant City Attorney

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
BOESEN	✓			
VOSS	✓			
COLEMAN	✓			
WESTERGAARD	✓			
MANDELBAUM	✓			
GATTO	✓			
TOTAL	6			

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.

MOTION CARRIED

APPROVED

Connie Boesen Mayor

Laura Baumgartner City Clerk