CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval to Initiate a Development Agreement between Junction House 329, LLC and the City of West Des Moines

DATE: November 4, 2019

RESOLUTION: Approval to proceed with the preparation of a Development Agreement

FINANCIAL IMPACT: Junction House 329, LLC has proposed a ten-year, 100% property tax rebate. The company will need to sign a development agreement with the City, which may include a Minimum Assessment Agreement.

BACKGROUND: Junction House 329, LLC has proposed a new construction, mixed-use project at 329 5th Street. Phase I of this project would include first floor retail and 16 upper story apartments (studio and 1-bedroom). The anticipated completion date is late 2020. There is a possible Phase II of the project, but this would require acquisition of adjacent property, and funding is not being requested for Phase II at this time. This project will likely include a Minimum Assessment Agreement and employment commitment component.

The development property is currently within the Historic West Des Moines Urban Renewal Area. The Urban Renewal Plan will need to be amended at some point to include this project.

This item was taken to the October 9, 2019 Finance and Administration Council Subcommittee meeting for recommendation. The Subcommittee recommended approval of the 10-year, 100% rebate.

OUTSTANDING ISSUES: There are no outstanding issues.

RECOMMENDATION: Staff is recommending the adoption of a resolution approving initiation of the Development Agreement.

Lead Staff Member: Katie Hernandez, Business Development Coordinator, Community & Economic Development KH

STAFF REVIEWS

Department Director	Clyde Evans, Community and Economic Development Director CEE
Appropriations/Finance	Tim Stiles, Finance Director
Legal	JDS
Agenda Acceptance	KM

PUBLICATION(S) (if applicable)

Published In	N/A	
Date(s) Published	N/A	
Letter sent to surrounding property owners	N/A	

SUBCOMMITTEE REVIEW (if applicable)

Committee	Finance & Administration		
Date Reviewed	October 9, 2019		
Recommendation	☑ Yes	☐ No	

ATTACHMENTS:

Exhibit I- Resolution

EXHIBIT I

Prepared by: K. Hernandez, City of West Des Moines Community and Economic Dev. PO Box 65320, WDM, IA 50265-0320 515-273-0770
When Recorded Return to: City Clerk, City of West Des Moines, 4200 Mills Civic Parkway, PO Box 65320, West Des Moines, IA 50265-0320

RESOLUTION

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA, AUTHORIZING STAFF TO INITIATE THE PREPARATION OF A DEVELOPMENT AGREEMENT FOR ECONOMIC DEVELOPMENT ASSISTANCE CONTRACT BETWEEN JUNCTION HOUSE 329, LLC AND THE CITY OF WEST DES MOINES FOR THE PROJECT AT 329 5TH STREET.

WHEREAS, Junction House 329, LLC has proposed to undertake the construction of a new construction, mixed-use project at 329 5th Street; and

WHEREAS, Junction House 329, LLC has requested to receive a ten-year, 100% property tax rebate for this project; and

WHEREAS, this item was presented to the Finance and Administration City Council Subcommittee at their meeting on October 9, 2019; and

WHEREAS, the City is prepared to offer the requested amount of economic development assistance in anticipation of this project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WEST DES MOINES, IOWA HAS directed staff to initiate the preparation of a Development Agreement on behalf of the City with Junction House 329, LLC.

PASSED AND ADOPTED this 4th day of November, 2019.

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Steven K. Gaer, Mayor

Attest:

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Ryan T. Jacobson, City Clerk