CITY OF WEST DES MOINES
CITY COUNCIL MEETING COMMUNICATION

ITEM: Approval to Initiate a Development Agreement between Taxium, L.L.C. and the City of West Des Moines

DATE: December 7, 2020

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

FINANCIAL IMPACT: Taxium, L.L.C. has agreed to a figure of $4.9 million as the value of the Minimum Assessment agreement and will need to sign a Development Agreement with the City that would include a Minimum Assessment Agreement to guarantee the investment, to guarantee the valuation for ten (10) years, and to guarantee the creation of 10 full-time and 10 part-time positions for a total of 15 full time equivalent jobs.

BACKGROUND: On September 6, 2016, the City Council adopted a resolution creating the Property Tax Rebate Pilot Program to stimulate economic development activity in certain areas of the City. The program provides a five-year, 100% rebate of the incremental increase in property taxes on a property if the owner of the property would expend a minimum of $500,000 on building upgrades/construction. The program also requires the creation/retention of a minimum of five jobs.

On October 9, 2020, Taxium, LLC filed an application with the City to be considered for the Property Tax Rebate Program. Review of the application indicates that they are proposing the construction of 25,000 sf of mixed-use space. The applicant is proposing to remove an existing building and building a new three-story mixed-use building at 309 5th Street and 315 5th Street. The third floor will be comprised of ten (10) residential lease units while the first and second floors will be designated commercial/retail space. The developer is committing to 10 full-time and 10 part-time jobs for a total of 15 full time equivalent jobs. Based on minimum assessed value of $4.9 Million, the property tax rebate would be $91,330.56 annually for a total of $456,652.80 over five years.

Staff has reviewed their proposal and has found it complete.

The project site is within the Historic West Des Moines Urban Renewal Area.

This proposal was reviewed by the Finance & Administration Council Subcommittee on October 21, 2020 and funding from the Property Tax Rebate Program has been recommended for approval.

OUTSTANDING ISSUES: There are no outstanding issues.

RECOMMENDATION: The Finance and Administration City Council Subcommittee is recommending adoption of a resolution approving initiation of the Development Agreement, and authorization to request and receive building permits.

Lead Staff Member: Clyde Evans, AICP, Community & Economic Development Director

STAFF REVIEWS

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

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 21, 2020		
Recommendation	Yes ☒	No ☐	Split ☐

ATTACHMENTS:

Exhibit I - Application for assistance under the Property Tax Rebate Program
Exhibit II - Resolution

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 TAXIUM, L.L.C. AND THE CITY OF WEST DES MOINES FOR ASSISTANCE UNDER THE PROPERTY TAX REBATE PROGRAM.

WHEREAS, Taxium, L.L.C. proposes to construct a 25,000 sf mixed-use space at 309 5th Street and 315 5th Street; and

WHEREAS, Taxium, L.L.C. filed a formal application on October 9, 2020, with the City for financial assistance under the City's Property Tax Rebate Program; and

WHEREAS, the application for assistance from Taxium, L.L.C. has been found complete; and

WHEREAS, Taxium, L.L.C. has committed to creating 10 full-time jobs and 10 part time jobs for a total of 15 full time equivalent jobs; and

WHEREAS, the City is prepared to offer property tax rebates under the Property Tax Rebate Program.

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 Taxium, L.L.C.

PASSED AND ADOPTED this 7th day of December, 2020.

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Steven K. Gaer, Mayor

Attest:

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Ryan T. Jacobson, City Clerk