

# Omaha developer looks to redevelop Badgerow Building as housing, offices, restaurant

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SIOUX CITY -- An Omaha developer plans to convert the Badgerow Building into housing, office space and an upscale restaurant.

The city, which purchased the historic downtown high rise for \$750,000 from a bank that foreclosed on the troubled property, has a tentative deal to sell the Badgerow to Clarity Development for \$1 million.

City staff and Hunden Strategic Partners, a [consultant hired to assist](#) with the selection of a developer for the project, are recommending the City Council approve an agreement with Clarity, which will develop the property as Badgerow Developer, LLC.

The council will consider the development agreement at its weekly meeting Monday.

Under the agreement, the developer would purchase the 12-story building at 622 Fourth Street, renovate it into a mixed-used facility with a high-end restaurant, cocktail lounge and Class A office space on

the first two floors, 71 market-rate apartments on floors 3-11, and a health club on the top floor.

The developer, which would keep the master lease in place, would commit to a minimum assessed value of \$10.928 million following the project's completion by October 2022.

The city, in turn, would provide a grant equal to 100 percent of new incremental property taxes for 10 years and an amount equal to 75 percent of new incremental taxes for an additional five years, support the developer's application for historic tax credits, and lease 170-200 parking spaces in its parking ramp system.

Because the building is located in an urban renewal district, the city is required to advertise for competing bids for at least 30 days. After that period passes, the agreement with Badgerow Developer, LLC would be presented to the council for consideration immediately following a public hearing on Oct. 19.

Built in 1933, the Badgerow is listed on the National Register of Historic Places. Considered a premier example of the art deco style of architecture, the tallest commercial building in downtown Sioux City is perhaps best known for the Native American figurines that line the top of the building.

The Badgerow had been vacant and red-tagged by the city as unfit for occupation for more than three years before California-based Mako One purchased it for \$450,000 in 2007. Mako and its managing partner, Bruce DeBolt, had planned on transforming the Badgerow into a hub for small data centers, as well as space for restaurants, professional offices and other businesses. But his vision never came to fruition.

Cedar Rapids Bank and Trust purchased the Badgerow for \$1 million at a November 2018 auction after it submitted the only bid. The bank had foreclosed on the building the previous year after Mako and DeBolt defaulted on a bond that was secured to pay to renovate and redevelop it.

Last October, the council approved a resolution for the city to purchase the Badgerow from Cedar Rapids Bank and Trust Company. In March, the city closed on the property.

Sioux City Economic Development Director Marty Dougherty said there was "strong interest" in the property. According to documents filed with the city, on-site tours were provided to three interested developers. Two developers submitted proposals, which were evaluated.

Clarity Development's renovation and reinvestment of the building will greatly increase its tax value, bring in increased economic activity and build upon other recent commercial and housing investments, according to documents posted on the city's website.



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Butz, a Drake University graduate, has been at the Journal since 2005, covering a variety of beats, including public safety, health care and city government. She has won state and national awards, primarily for coverage of addiction and mental health.