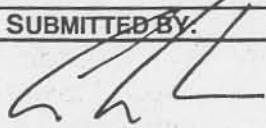


OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 96-022
JANUARY 15, 1996 AGENDA

SUBJECT:	TYPE:	PREPARED BY:	SUBMITTED BY:
YOUNKERS WAREHOUSE OFFERING PROCESS	◆ RESOLUTION ORDINANCE RECEIVE/FILE	RICHARD CLARK DEPUTY CITY MANAGER	 ERIC A. ANDERSON CITY MANAGER

SYNOPSIS —

As a result of Council action on January 2, 1996, proposed amendments to the Younkens Warehouse offering documents are on the January 15, 1996, agenda. The amendments pertain to the possibility of a casino. After carefully reviewing the issues, it is our view that no amendments to the Younkens offering documents should be made.

Approval of the amendment at this time would not allow a reasonable length of time for prospective offerors to respond to the changes since proposals are scheduled to be submitted to the Urban Renewal Board on January 23, 1996. As a result, approval of the amendment would necessitate extending the offering period which would adversely affect the bid process as well as other potential bidders. Moreover, a casino project on the river would require further review and approval by the City Council separate from the Younkens Warehouse Project. The amendment called for in the roll call, therefore, does not need to be made, thereby leaving the City's offering requirements unchanged.

FISCAL IMPACT —

N/A.

RECOMMENDATION —

For reasons noted above, no amendments should be made to the offering document for the Younkens Warehouse Project; the roll call should be received and filed.

BACKGROUND —

On December 18, 1995, the City Council approved the Minimum Development Requirements (including *casino-related uses* as a permitted use), Competitive Criteria, Submission Requirements Offering Documents and procedures for the Younkens Warehouse urban renewal offering. The Council also directed the solicitation of proposals and the issuance of the notice of intent to enter into a redevelopment contract with the selected developer. The offering period began on Friday, December 22, 1995, and will close on January 23, 1996 with proposals submitted at a meeting of the Urban Renewal Board. The City Council is scheduled to make its selection of the preferred developer at its February 5, 1996, meeting.

The amendment, reflected in the roll call, would revise the City's offering requirements relating to proposals for casino and related uses, by requiring a \$500,000 Good Faith Deposit and extending the period for submission of final construction plans and evidence of financing from 60 days to 18 months from the date of execution of the agreement by the City.

Approval of the amendment at this time would not provide a reasonable length of time for prospective offerors to respond to the changes with proposals due on January 23, 1996. The schedule approved by the City Council has been relied upon by the prospective offerors; therefore, any extensions could result in the loss of developer interest.

The ability of an interested developer to submit a proposal for a casino and related uses will not be adversely affected if the proposed amendment is not approved since the offering documents allow for a multi-phase proposal, thus allowing such a proposal to meet the original time schedules. The timelines now established for submission of final construction plans and evidence of financing can accommodate a multi-phase proposal for casino and related uses. Only the first phase, (e.g., first floor restaurant and building stabilization) would need to conform to the 60-day requirement for submission of the final construction plans and evidence of financing. The remaining phases would be defined in the proposal. The City Council will have the ability to choose or not to choose a casino and related uses proposal provided one is submitted.