

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

ITEM 29

CITY COUNCIL COMMUNICATION 97-443
SEPTEMBER 8, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
MINIMUM ASSESSMENT AGREEMENT FOR 2001 DEWOLF STREET/GUTHRIE AVENUE BUSINESS PARK	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES GRANT COMMUNITY DEVELOPMENT DIRECTOR

SYNOPSIS —

On the September 8, 1997 Council agenda is a roll call to approve the Minimum Assessment Agreement with the 2001 Partnership, L.L.C. for Disposition Parcel No. 31A (2001 DeWolf Street)/Guthrie Avenue Business Park Urban Renewal Area.

FISCAL IMPACT —

N/A

RECOMMENDATION —

Approval of the execution and recording of the Minimum Assessment Agreement for Disposition Parcel No. 31A (2001 DeWolf Street)/Guthrie Avenue Business Park Urban Renewal Area.

BACKGROUND —

On August 5, 1996, the City Council took the following actions:

1. Conveyed Disposition Parcel No. 31A located at 2001 DeWolf Street/Guthrie Avenue Business Park Urban Renewal Area to the Quality Wine Company, Inc. for the Stage I construction of an approximate 45,000 sq. ft. office/distribution facility immediately and a 20,000 sq. ft. addition by December 1, 2000;
2. Approved an assignment of interest in the contract from the Quality Wine Company, Inc. to the 2001 Partnership, L.L.C., which consists of two principals of Quality Wine; and
3. Provided the 2001 Partnership, L.L.C. with a \$125,000 forgivable loan in lieu of tax abatement for the Stage I development.

As a condition of the loan, the 2001 Partnership, L.L.C. is required to enter into a Minimum Assessment Agreement of \$1.2 million for the improvements after the Stage I development has been substantially completed. Initially, the Agreement was to have been entered into by March 1, 1997. However, due to construction-related problems, the Stage I development was only recently completed.

The Redeveloper has expended an estimated \$1.7 million to construct the 45,000 sq. ft. building and install parking, loading and landscaping improvements. According to the County Assessor, it is estimated that the assessed value of the improvements will be \$1.3 million. The 2001 Partnership, L.L.C. and the County Assessor have executed the \$1.2 million Minimum Assessment Agreement.