



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

98-179

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

**AGENDA:
MAY 4, 1998**

SYNOPSIS —

**SUBJECT:
LICENSE
AGREEMENT -
JJFPBI, L.C. -
PARCEL
11A/GUTHRIE
AVENUE BUSINESS
PARK**

JJFPBI, L.C. has entered into an urban renewal contract with the City in order to construct a 29,040 sq. ft. office/distribution facility on Disposition Parcel No. 11A/Guthrie Avenue Business Park. This 1.3-acre parcel is located south of Thompson Avenue, west of Dixon Street (2100 Dixon Street). The total project cost is estimated at \$835,000, excluding tenant finish. Upon completion, the project will yield approximately \$37,310 annually in new taxes after tax abatement, based on an executed Minimum Assessment Agreement which fixes the minimum actual value of the property and improvements at \$868,500. The Redeveloper and its tenants will employ a minimum of 35 people full-time and pay employees, excluding supervisory personnel, an average hourly wage including benefits, of \$20/hour. Ellen Walkowiak with the City’s Office of Economic Development is coordinating the City activities relative to this project.

**TYPE:
RESOLUTION
ORDINANCE
RECEIVE/FILE**

**SUBMITTED BY:
RICHARD CLARK
DEPUTY CITY
MANAGER**

On the May 4, 1998, Council agenda is a resolution to authorize the City Manager, or his designee, to negotiate and execute a License Agreement with JJFPBI, L.C. to conduct grading, site preparation, footing and foundation work on Disposition Parcel No. 11A/Guthrie Avenue Business Park.

FISCAL IMPACT –

N/A

RECOMMENDATION –

Approval.

BACKGROUND –

JJFPBI, L.C. is an Iowa limited liability company that was organized in November, 1997. JJF Partners and PBI Properties, both of Cedar Rapids, Iowa, maintain a 50 percent ownership interest in JJFPBI, L.C. Jim Hoke, Jim Schmitt, and Frank Hurtt own 60 percent, 20 percent, and 20 percent respectively of JJF Partners. Russ Kool and Fred Timko own 51 percent and 49 percent of PBI Properties. In 1992, JJF Partners was organized to construct a 21,515 sq. ft. office/distribution facility at 1751 Guthrie Avenue and leased it to Van Meter Industrial Inc. and Point Builders Inc. In 1990, PBI Properties was formed to construct and lease buildings to commercial and industrial clients. Jim Schmitt, a shareholder of JJF Partners, is the President of Van Meter Industrial Inc. and Fred Timko, a shareholder of PBI Properties, is the President of Point Builders Inc. Van Meter is an electrical products distributor and Point Builders is a construction contractor.

On April 6, 1998, the City Council entered into an urban renewal contract with JJFPBI, L.C. and executed the Special Warranty Deed for Disposition Parcel No. 11A/Guthrie Avenue Business Park. There are title problems that may require an extended length of time to resolve prior to the City conveying title to the property. In order to control costs and meet construction schedules, the Redeveloper is requesting authorization to conduct grading, site preparation, footing and foundation work. Title is anticipated to be transferred in late spring 1998. The License Agreement will stipulate that the Redeveloper shall conduct the work at its sole cost and risk.