



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**98-180**

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

**AGENDA:  
MAY 4, 1998**

**SYNOPSIS —**

**SUBJECT:  
LICENSE  
AGREEMENT –  
HOUGHTON  
PROPERTIES  
(PARCEL  
10A/GUTHRIE  
AVENUE BUSINESS  
PARK)**

Houghton Properties (Jonathan Houghton, President) has entered into an urban renewal contract with the City in order to construct a 61,200 sq. ft. flex space office/distribution/light manufacturing facility on Disposition Parcel No. 10A/Guthrie Avenue Business Park. This 3.3-acre parcel is located south of Thompson Avenue between vacated Dixon Court and Dixon Street (1900 Dixon Street). The total project cost is estimated at \$1.3 million, excluding tenant finish. Upon completion, the project will yield approximately \$66,300 annually in new taxes after tax abatement, based on a Minimum Assessment Agreement to be executed which will fix the minimum actual value of the property and improvements at \$1,543,300. Ellen Walkowiak with the City’s Office of Economic Development is coordinating the City activities relative to this project.

**TYPE:  
RESOLUTION  
ORDINANCE  
RECEIVE/FILE**

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 Houghton Properties to conduct grading and site preparation work on Disposition Parcel No. 10A/Guthrie Avenue Business Park.

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

**FISCAL IMPACT –**

N/A

**RECOMMENDATION –**

**Approval.**

**BACKGROUND –**

Houghton Properties is an Iowa partnership that was organized in December, 1995. It is involved in the development of

commercial and industrial flex space. Jonathan Houghton is the President of Houghton Properties. There are three owners of the company. Mr. Houghton' s children (Hiram, Tiffany, and Jaclyn Houghton of 9922 Tanglewood Drive, Urbandale, Iowa) each own one-third of the business.

On January 5, 1998, the City Council entered into an urban renewal contract with Houghton Properties and executed the Special Warranty Deed for Disposition Parcel No. 10A/Guthrie Avenue Business Park. After the redeveloper submits its title opinion, the City will review it and resolve any title objections prior to conveying the property. In order to control costs and meet construction schedules, the redeveloper is requesting authorization to conduct grading and site preparation work immediately. 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.