

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

98-348

SYNOPSIS —

AGENDA:
AUGUST 17, 1998

SUBJECT:
CERTIFICATE OF
COMPLETION FOR
1440 EAST GRAND
AVENUE

TYPE:
RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:
RICHARD CLARK
DEPUTY CITY
MANAGER

On the August 17, 1998, Council agenda is a resolution to authorize the issuance of a Certificate of Completion to Bloomsbury Associates, L.P. for Disposition Parcel No. 4/Capitol East Urban Renewal Area and release of the Good Faith Deposit. The redeveloper has completed a \$2.3 million renovation of the former Associated Medical Clinic at 1440 East Grand Avenue into 18 apartment units and construction of a 12-unit apartment building for low- and moderate-income families. Ellen Walkowiak with the City's Office of Economic Development is coordinating the City activities relative to this project.

FISCAL IMPACT –

N/A

RECOMMENDATION –

Approval of the execution and delivery of the Certificate of Completion for Disposition Parcel No. 4/Capitol East Urban Renewal Area (1440 East Grand Avenue) and release and return of the Good Faith Deposit in the amount of \$75,000 in the form of a corporate surety bond to the redeveloper.

BACKGROUND –

On July 10, 1995, the City entered into an urban renewal contract and a lease agreement with the Newbury Development Company for Disposition Parcel No. 4/Capitol East Urban Renewal Area (1440 East Grand Avenue) for the construction of 30 apartment units for low- and moderate-income families. On November 6, 1995, the City conveyed a majority of Disposition Parcel No. 4 and approved an assignment of

interest in the contract and the lease from the Newbury Development Company to Bloomsbury Associates, L.P., an Iowa limited partnership. James F. Levy is the sole owner of the Newbury Development Company and the general partner of Bloomsbury Associates, L.P.

Bloomsbury Associates, L.P. owns a majority of the land and leases the east 40 feet of Lot 13 and the west 39.5 feet of Lot 14, Block 39, Stewart' s Addition. This land is located west of East 15th Street north of Grand Avenue. Property was to be leased from the City until groundwater monitoring wells associated with a former leaking underground storage tank could be abandoned. On May 13, 1997, the Iowa Department of Natural Resources issued a Certificate of No Further Action on the site which allowed for abandonment of the wells. The City anticipates closing on the leased property in Fall 1998.

On July 21, 1998, the Urban Renewal Board unanimously recommended that a Certificate of Completion be issued and that the \$75,000 Good Faith Deposit in the form of a corporate surety bond be returned to the redeveloper provided that minor landscaping be completed in accordance with the minimum development requirements. The Board also authorized City staff to submit the request for a Certificate of Completion and release of the Good Faith Deposit after the redeveloper completed the work.

On August 12, 1998, City staff reinspected the redevelopment project. Staff has determined that the improvements are completed and are in substantial compliance with the terms of the urban renewal contract and the lease agreement.