



**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

98-393

SYNOPSIS —

AGENDA:
SEPTEMBER 14, 1998

At the Council meeting of August 17, 1998, the City Council selected AMC/Centertainment, Inc. as the developer for the Court Avenue Entertainment Center project. At the same meeting, Council also asked staff to identify general goals that will be used as a guide for negotiating the development agreement with AMC/Centertainment. These recommended goals have been identified and are outlined in the Background section.

SUBJECT:
COURT AVENUE
ENTERTAINMENT
CENTER

TYPE:
RESOLUTION
ORDINANCE
RECEIVE/FILE

FISCAL IMPACT –

N/A

SUBMITTED BY:
RICHARD CLARK
DEPUTY CITY
MANAGER

RECOMMENDATION –

Approve the general goals as outlined below as a guide for preparation of the development agreement between the City of Des Moines and AMC/Centertainment, Inc. for the Court Avenue Entertainment Center.

BACKGROUND –

The following general goals are recommended as a guide for negotiating the development agreement with AMC/Centertainment, Inc.

1. The development agreement should establish the obligations of the developer and must include a clear statement of the size, uses, and preliminary design of the project based upon the proposal submitted by the developer.

2. The development agreement should clearly identify the obligations of the City, which will include acquisition of the

project site, and provision of surface public parking on land located immediately to the south of the project site.

3. The development agreement should be structured in such a way as to ensure an acceptable “ return on investment” to the taxpayer which is consistent with the proposal submitted by the developer. The development agreement should include a minimum assessment agreement for property taxes (with the developer).

4. The development agreement should include a refined preliminary design plan, which provides a clear graphic description of the proposed project. The preliminary design must be reasonably inferable from the conceptual design proposals submitted by the developer, and must achieve the design objectives outlined in the City’ s Request for Proposals. In particular, the design should strengthen and reinforce the existing and proposed Court Avenue uses and street level pedestrian activity.

5. To ensure project success, the development agreement must include evidence of firm commitments for project financing and prelease commitments for a significant portion of the retail and restaurant space (in addition to the theater space).

6. The development agreement should delineate a time schedule for both the developer and the City that allows the project to move forward as quickly as possible.

7. The development agreement should include enforcement provisions in the event of default.

Our goal is to complete negotiations with the developer and present a proposed contract for Council’ s consideration and approval this fall.