

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-505

SYNOPSIS -

AGENDA:

NOVEMBER 15, 1999

The redeveloper, Water Tower Development Corporation, has requested release of the \$100,000 good faith deposit for its urban renewal project, the Brown Camp Lofts, at 100 Market Street.

SUBJECT:

REQUEST FOR
RELEASE OF GOOD
FAITH DEPOSIT -
BROWN CAMP
LOFTS PROJECT

The urban renewal contract directs the good faith deposit be returned when the improvements are completed in accordance with the urban renewal contract and approved design plans. Both the developer's architect or engineer and City staff are to inspect the improvements and report on whether the improvements are completed satisfactorily. The City Council then acts on the request for the release of the good faith deposit.

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

At this time, the developer has not provided the required statement from its project engineer or architect. City staff has inspected the project and found that some of the exterior landscaping, light fixtures, and sidewalk work has not been completed. The estimated cost to complete these items is about \$20,000.

SUBMITTED BY:

ERIC A. ANDERSON
CITY MANAGER

FISCAL IMPACT -

N/A

RECOMMENDATION -

To provide a release of a portion of the good faith deposit while retaining \$20,000 to provide for items-some exterior landscaping, sidewalks, and lighting fixture-still to be completed. Staff is recommending the partial release of the good faith deposit as a majority of the project has been completed.

In order for the remaining portion of the good faith deposit

to be released, redeveloper must submit the project certification from the architect or supervising engineer and the remaining items to be completed must be done.

BACKGROUND -

The City offered the former Younkers Warehouse property for sale as a residential redevelopment project and selected Water Tower Development Corporation (Mark A. Kline, President) as the redeveloper.

The urban renewal contract for this project was executed in 1996 and contained the minimum development standards and approved design plans that were to be met in order for the good faith deposit to be returned.

As the Council is aware, this project has had an extended construction period due in part to difficulty in obtaining additional financing. At this time, the redeveloper has requested release of the good faith deposit; as stated above, several of the contract-required improvements have not been completed. The retention of a portion of the good faith deposit will be returned about completion of these items and Council approval.