

## Meeting Agendas/Info

CITY COUNCIL  
COMMUNICATION:

ITEM \_\_\_\_\_

01-102

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

**AGENDA:**

FEBRUARY 26, 2001

**SUBJECT:**

AIRPORT COMMERCE  
PARK SOUTH-  
AGREEMENT FOR  
COMPROMISE AND  
SETTLEMENT

#### **SYNOPSIS -**

On the February 26, 2001 agenda is a roll call to approve an Agreement for Compromise and Settlement between the City of Des Moines and Airport Commerce Park, L.C. (5000 Westown Parkway, Suite 100, West Des Moines, Iowa, 50266). The Agreement will increase the maximum reimbursement available to the developer for costs of paving Fleur Drive. The increase is requested because the actual costs incurred by the developer exceeded the original estimates due to higher City engineering costs and soil problems.

**TYPE:**

**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

#### **FISCAL IMPACT -**

The Agreement for Compromise and Settlement will increase the maximum reimbursement to the developer for the costs of paving Fleur Drive from \$1,550,000 to \$1,608,100. The maximum reimbursement to the developer for the total costs of the public improvements in the urban renewal project area will remain \$2,515,000.

**SUBMITTED BY:**

RICHARD CLARK  
DEPUTY CITY  
MANAGER

#### **RECOMMENDATION -**

**It is recommended that the Council approve the Agreement for Compromise and Settlement; that the Mayor be authorized and directed to execute the Agreement; and that the City Clerk release a duplicate original of the executed Agreement to the Legal Department for release to the developer.**

#### **BACKGROUND -**

The Airport Commerce Park South was designated an urban renewal project area on December 2, 1996, by Roll Call No. 96-4028. With this roll call, the Council also adopted an urban renewal plan, which designated the area for development as a business park.

On December 2, 1996, by Roll Call No. 96-4032, the Council entered into a Development Agreement with Airport Commerce Park, L.C. (the developer). The Agreement required the developer to develop the area as a business park for commercial and industrial uses by paving Fleur Drive south from Army Post Road and by completing the public improvements necessary for the development of the urban renewal project area. In return for the development of the area, the City agreed to reimburse the developer for the costs associated with the stated improvements. The maximum reimbursement for the paving of Fleur Drive was set at \$1,550,000, and the total maximum costs for the public improvements in the area, including Fleur Drive, was set at \$2,515,000.

Due to City engineering costs in excess of estimates and soil problems encountered during road construction, the actual costs incurred by the developer to pave Fleur Drive exceeded \$1,550,000. The developer has asked to increase the maximum reimbursement for Phase I of the project, the paving of Fleur Avenue, to \$1,608,100 to cover these additional expenses. The increase in reimbursement for Phase I expenses will not increase the maximum project reimbursement.