

**CITY COUNCIL
COMMUNICATION:**

02-606

AGENDA:

NOVEMBER 18, 2002

SUBJECT:

CERTIFICATE OF
COMPLETION
KENYON BUILDING –
301 GRAND AVENUE

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

ITEM 37

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

SYNOPSIS —

On the November 18, 2002 Council agenda is a roll call certifying the completion of the remodeling of the Kenyon Building located at 301 Grand Avenue, Des Moines. This action is required under the Development Agreement between the City and the Developer (301 Grand, L.C., Kent Mauck, Managing Partner, Mauck and Associates, 516 – 3rd Street, Des Moines, Iowa).

Mr. Mauck has completed rehabilitation to the Kenyon Building for the use as a first class commercial office building at a cost in excess of \$2.2 million. The rehabilitation of the Kenyon Building stabilized a blighted building that had been empty and deteriorating for a number of years.

FISCAL IMPACT —

The City's development loan is for an amount of \$125,000 at a 3 percent interest rate and was funded from the Economic Development Enterprise Account. Payments will be deferred until the project's second mortgage financing is repaid to Iowa Savings Bank. The City also approved an economic development grant to be paid in annual installments of \$20,000 from Metro Center Urban Renewal Area tax increment financing revenues for a period not to exceed the lesser of eight years or when the second mortgage financing is paid. The Developer agreed not to apply for tax abatement on the project and has executed a minimum assessment agreement of \$1,320,000. The project will generate an estimated increase in net new property taxes (after the economic development grant) of \$244,000 over the initial eight-year term of the lease.

RECOMMENDATION —

Approval.

BACKGROUND —

On July 18, 2001, by Roll Call No. 01-2340, City Council approved a Development Agreement between the City and 301 Grand, L.C. as Developer for the renovations of the Kenyon Building.

