CITY COUNCIL COMMUNICATION:

03-096

AGENDA:

MARCH 10, 2003

SUBJECT:

CERTIFICATE OF COMPLETION
300 EAST LOCUST

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY MANAGER

ITEM ____

OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA

SYNOPSIS —

On the March 10, 2003 Council agenda is a roll call certifying the completion of the construction of an office building at 300 East Locust, Des Moines. This action is required under the Development Agreement between the City and the Owner (300 East Locust, L.P.).

300 East Locust, L.P. has completed construction of the office building located at 300 East Locust at a cost in excess of $5.6 million.

FISCAL IMPACT —

The City's Development Loan is for an amount of $742,739 at zero percent interest. Payments will be deferred until the project has achieved 90% occupancy or, if on the fifth anniversary date of the receipt of permanent mortgage financing the project has not reached 90%, the repayment shall begin on year five. The Developer agreed to apply for tax abatement on the project under the three-year, 100% abatement schedule.

RECOMMENDATION —

Approval.

BACKGROUND —

On April 2, 2001, by Roll Call No. 01-994, City Council approved a Development Agreement between the City and 300 East Locust, L.P. for the construction of a new office building.