

**CITY COUNCIL
COMMUNICATION:**

03-177

AGENDA:

APRIL 21, 2003

SUBJECT:

CERTIFICATE OF
COMPLETION—
1011 LOCUST
(TEMPLE FOR THE
PERFORMING
ARTS)

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 April 21, 2003 Council agenda, is a roll call certifying the completion of the rehabilitation of the former Masonic Temple at 1011 Locust Street, Des Moines. This action is required under the Development Agreement between the City and the Developer (B.H. Temple, Inc.; Downtown Preservation Partners, L.L.C.; and the Temple Partners, L.P.).

The Developer has completed the rehabilitation of the Temple at a cost over \$6.5 million.

FISCAL IMPACT —

Per the Development Agreement approved by Council on January 28, 2002, the City's project participation is as follows:

1. \$1,085,000 Economic Development Grant: This grant is equal to the property purchase price. The Gateway Project is the source of these funds.
2. \$200,000 2nd Economic Development Grant: These funds were utilized for project rehabilitation costs. The Gateway Project is the source of these funds.
3. \$450,000 Economic Development Loan: These funds were utilized for project rehabilitation costs. Repayments will be made to the City from excess annual cash flow.
4. Supplemental Economic Development Grant—\$31,000 per year for 20 years: The City will utilize the incremental tax revenues from the project to make annual payments to the Developer for 20 years.

Council's issuance of the Certificate of Completion will trigger the annual payments of \$31,000. The Developer has agreed to a Minimum Assessment Agreement of \$1,400,000.

RECOMMENDATION —

Approval.

BACKGROUND —

On January 28, 2002, by Roll Call No. 02-291, City Council approved a Development Agreement between the City and the Developer (B.H. Temple,

Inc.; Downtown Preservation Partners, L.L.C.; and the Temple Partners, L.P.) for the rehabilitation of the former Masonic Temple located at 1011 Locust Street.