

**CITY COUNCIL
COMMUNICATION:**

03-386

AGENDA:

AUGUST 11, 2003

SUBJECT:

CERTIFICATE OF
COMPLETION –
601 EAST LOCUST
PROJECT

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 August 11, 2003 Council agenda is a roll call certifying the substantial completion of the economic development project developed by Iowa State Bank Holding Company at 601 East Locust. Iowa State Bank Holding Company has requested this action under the terms of the Development Agreement Metro Center Urban Renewal Project.

The Certificate of Completion evidences the compliance by Iowa State Bank Holding Company of the construction obligations under the development agreement. This determination is independent of any required determination by the City regarding the issuance of an Occupancy Permit pursuant to the City's Building Code. Approval of the Certificate of Completion (1) establishes the date for taxation under the Minimum Assessment Agreement, and (2) sets the beginning date for the payment schedule of the Economic Development Grant under the development agreement.

FISCAL IMPACT —

The Minimum Assessment Agreement will take effect January 1, 2004, for the new building and land of at least \$2,456,000. This valuation reflects an increase in taxable value of \$2,138,000 over pre-project assessments and represents an annual incremental increase in tax revenues of approximately \$92,600.

The Economic Development Grant will be paid to Iowa State Bank Holding Company in ten annual installments equal to 75% of the total ad-valorem taxes levied upon the taxable value of the improvements (exclusive of land) beginning December 15, 2005. All payments under the Economic Development Grants are subject to receiving annual certification by Iowa State Bank Holding Company that they are in continued compliance with the covenants specified in the development agreement.

RECOMMENDATION —

Approval.

