



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 08/23/04

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Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution to amend development agreement between 10th Street Lofts, LP and the City of Des Moines.

SYNOPSIS—

In lieu of the City making surface sidewalk and alley improvements, the City and the Developer have renegotiated the City's participation in the project to consist of an economic development grant in the amount of \$64,000.

FISCAL IMPACT—

The \$64,000 will be funded with tax increment funds contained in the development opportunities account.

RECOMMENDATION—

Approval

BACKGROUND—

10th Street Lofts, LP is completing the conversion of 110 and 122 – 10th Streets into 94 residential units. These units will be leased at market rate. To facilitate the redevelopment, the

City agreed to vacate and sell the alley between the two buildings to the developer, to make basic improvements to the sidewalks in front of the buildings and to the alley in back of the buildings and to provide surface parking to the tenants of the buildings for a period of five years. The Engineering Department estimated that the cost of making the surface improvements (new sidewalk and repaving the alley) would be approximately \$80,000, and that the cost of the improvements utilizing an overlay of asphalt millings in the alley would be \$50,000.

The City and the Developer have renegotiated the City's participation in the project to consist of an economic development grant in the amount of \$64,000 in lieu of the City making surface improvements. The economic development grant will be released upon issuance of the certificate of occupancy for the buildings.

This project also qualifies for 10-year 100% tax abatement on the value of the improvements.