



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 11/22/04
04-584

Communication No.:

Agenda Item Type: Resolution
No.:

Roll Call

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution approving First Amendment to Airport Commerce Park South Development Agreement.

SYNOPSIS—

Airport Commerce Park, L.C., the developer, has submitted a request to the City Manager's Office to extend the date by which the developer needs to complete improvements in Airport Commerce Park South in order to qualify for Economic Development Grants.

FISCAL IMPACT—

Airport Commerce Park, L.C. has agreed to reduce the cap on the Economic Development Grant by \$130,000 in exchange for extending the project completion date to December 31, 2006. Upon amendment approval, the remaining potential Economic Development Grant will be \$801,102.42.

RECOMMENDATION—

Approval

BACKGROUND—

The Development Agreement between the City of Des Moines and Airport Commerce Park, L.C. provides that Eligible Project Costs are eligible for reimbursement if they are completed by December 31, 2004.

The Agreement further provides that the Phase Two Economic Development Grant is limited to \$2,515,000 or the total Eligible Project Costs incurred by the Developer, whichever is less. This is exclusive of the Fleur Drive portion of the Agreement. The Developer has completed phases of construction and certified Eligible Project Costs of \$1,583,897.58 under the Agreement, leaving a remaining potential Economic Development Grant of \$931,102.42

The Developer's estimates for the final phases of Airport Commerce Park South total \$2,360,000 of which \$1,450,000 would be Eligible Project Costs under the Development Agreement subject, however, to the remaining cap of \$931,102.42.

The Developer has agreed to reduce the cap on the Economic Development Grant by \$130,000 in exchange for extending the project completion date to December 31, 2006. Upon amendment approval, the remaining potential Economic Development Grant will be \$801,102.42.