



Agenda Item:

31

COUNCIL COMMUNICATION

City Manager's Office

GENERAL INFORMATION

Agenda Date: 06/20/05
Agenda Item Type: Resolution,
Submitted by: Richard Clark, Deputy City Manager

Communication No.: 05-364
Roll Call No.:

SUBJECT—

Resolution Approving the Certificate of Completion and Release of Good Faith Deposit for the Nelson Parking Structure on Disposition Parcel No. 01-05 /Metro Center Urban Renewal Area.

SYNOPSIS—

On the June 20, 2005 Council agenda is a roll call to approve, as required by the urban renewal agreement with the developer, Nelson Development LLC (assigned to Nelson Development 12, LLC) the issuance of a Certificate of Completion and release of the good faith deposit of \$50,000 plus any accrued interest for the private parking garage recently constructed at 101 SW 4th St.

FISCAL IMPACT—

Approval does not change the City's financial obligations for this project (four semi-annual payments of \$63,360 to Nelson Development).

RECOMMENDATION—

Approval

BACKGROUND—

By Roll Call No. 04-1302 on June 21, 2004, the Council directed the necessary documents be prepared by staff and a private developer, Nelson Development LLC (Mike Nelson, President/ 4183 NW Urbandale Drive, Urbandale, Iowa 50322) for a developer-initiated proposal for the construction of a 300 space/3 stories tall parking structure on City-owned property at 101 SW 4th St. The Council then approved the preliminary terms for the City's financial participation in the project which were:

1. A two-year license of 88 spaces by the City with the City paying \$126,720 for 88 stalls annually. The City's payment will be on a semi-annual basis to be paid on months 1 and 7

of each year for a two-year term commencing April 1, 2005 or such later date when the garage is open for public use and ending on March 31, 2007 or 24 months from the garage opening.

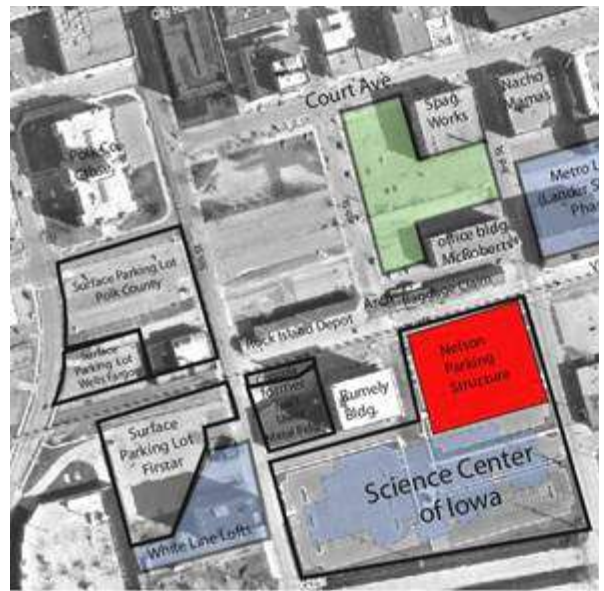
2. A restriction extending to December 31, 2012 on developer subleasing the designated 88 spaces for a long-term user other than in conjunction with residential uses.

On September 13, 2004 by Roll Call 05-1951, the City Council approved an Urban Renewal Development Agreement with Nelson Development LLC for the 50 year lease of property owned by the City on the east side of SW 4th St., immediately north of the new Science Center of Iowa, subject to the construction of 300+ stall parking structure between 2nd and 3rd Streets. As stated in the approved development agreement, the City's payments will be for a two-year license term commencing April 1, 2005 or such later date when the garage is open for public use. The City and/or its parking operator are able market and enter into agreements/sublicenses for the 88 spaces during the license term. The City will retain all revenues generated from its agreements/sublicenses of these spaces.

The Agreement required the Developer to make a \$50,000 "good faith deposit" that would be returned to the developer, with any interest that may have accrued from its date of deposit, when the Certificate of Completion is issued.

Also on September 13, 2004 by Roll Call 04-1952, the Council approved the Conceptual Development Plan for project that detailed the site layout and individual floor plans; the improvements constructed on the site are in accordance with the approved Conceptual Development Plan.





Nelson parking ramp at 101 SW 4th St. during opening of new Science Center of Iowa (“Parking” banners have since been removed)