



**Council
Communication**
Office of the City Manager

Date

May 8, 2006

Agenda Item No. 22

Roll Call No. 06-

Communication No. 06-264

Submitted by: Richard A. Clark, City Manager

AGENDA HEADING:

Resolution Approving Issuance of Certificate of Completion for Newens Dairy Loft (2300 University Ave.), University Place Lofts (2326 University Ave.) and University Place Rowhomes (1156-70 23rd St.) and Authorizing Payment of Economic Assistance.

SYNOPSIS:

The developers - 2300 University Avenue, LLC and University Place Rowhomes, LC (Larry E James, Sr., - Manager/ 6600 Westown Parkway-Suite 220, W.D.M., Ia). have submitted the documents required by the City's development agreement, showing competition of their developments and are now requesting release of the loan and grant funding for the project.

FISCAL IMPACT:

Amount: \$300,000 (\$100,000 for short-term loan and \$200,000 as economic development grant)

Funding Sources: Economic Development Enterprise Account: Economic Development Enterprise Account – Fund: SP743 Org: CMO980717

ADDITIONAL INFORMATION:

With the completion of the improvements (some tenant finish is still to be installed when tenants are identified) the developers for these properties have requested a Certificate of Completion be issued by the City in accordance with the terms and conditions of the economic development assistance agreement approved by the Council in October 2005 for a multi-phase residential and commercial project involving new construction and rehabilitation of two National Register of Historic Places-listed buildings.

The terms contained in the final agreement and loan documents:

- The City funding of a \$100,000 loan and a \$200,000 grant will be paid to the developers upon the completion of the project.

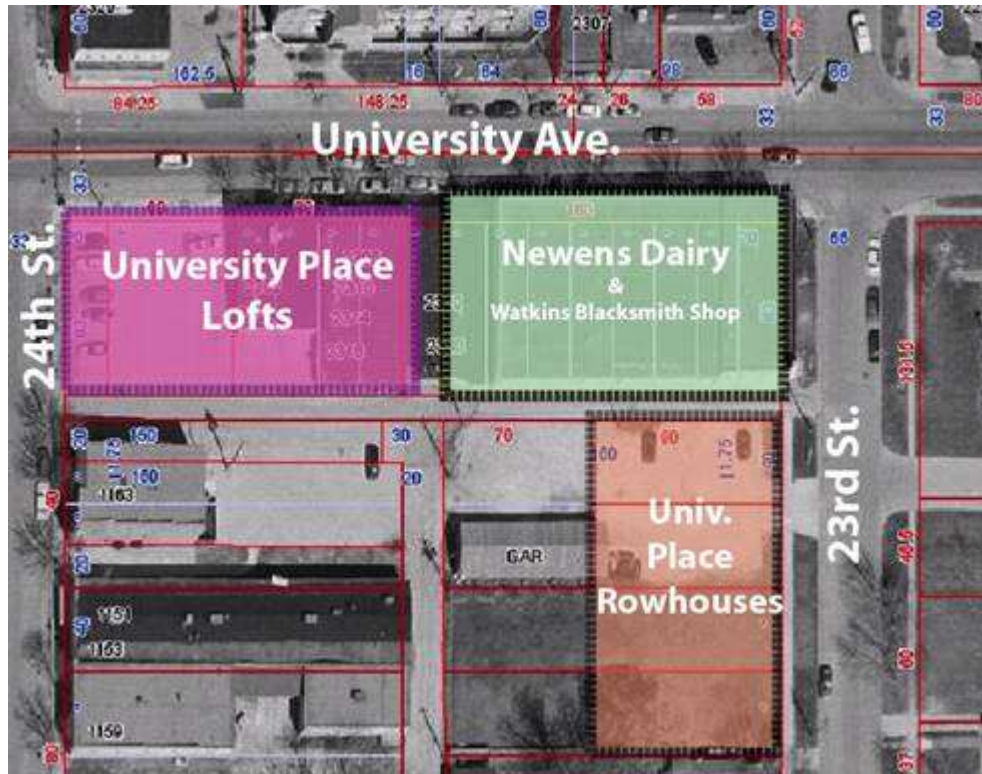
- The loan of \$100,000 will be repaid at 4.5% interest at the earlier date of 18 months or when the Federal Historic Tax Credits (or proceeds from the sale of the credits) are used by the developer.
- This loan shall be secured with a second mortgage on the property and personal guarantees.
- A minimum assessed value of \$5.3 million is required with tax abatement permitted on the improvements. The current assessment of all properties in 2005 totaled \$443,500.

The developers have furnished the required documents including a recorded minimum assessment agreement.

Project Components:

The map shows the location of each component which are:

<i>Building Name</i>	<i>Address</i>	<i>Uses</i>	<i>New or Rehab?</i>
University Rowhouses	Place 1156 23 rd St.	8 residential rowhouses and 8 garages	New construction
Newens Dairy	2300 University Ave.	11,000 sq. ft. of commercial on 1 st floor, 11 lofts on 2 nd floor and 11 enclosed garage units.	Rehab of historic buildings
Watkins Blacksmith Shop	2314 University Ave.	1,600 sq. ft. of commercial space	
University Place Lofts	2318 University Ave.	1 st floor commercial of 8,200 sq. ft. and 18 residential lofts on the 2 nd & 3 rd floors	New construction



PREVIOUS COUNCIL ACTION(S):

Date: October 24, 2005

Roll Call Number: 05-2557

Action: Development Agreement with 2300 University Avenue, LLC and University Place Rowhomes, LC for redevelopment of property on University between 23rd and 24th Streets. (Council Communication No. 05-584). Moved by Vlassis to adopt. Motion Carried 5-1. Pass: Hensley. Council Member Kiernan declares a conflict of interest and abstains from voting.

Date: October 11, 2004

Roll Call Number: 04-2151

Action: Preliminary terms of agreement with 2300 University, LLC for redevelopment project between 23rd and 24th Streets, south of University Avenue. (Council Communication No. 04-501). Moved by Vlassis to approve the preliminary terms of agreement and authorize the City Manager to negotiate the final terms of agreement with 2300 University, LLC. Motion Carried 6-0. Council Member Hensley declares a conflict of interest and abstains from voting.

BOARD/COMMISSION ACTION(S): NONE

Date:

Roll Call Number:

Action:

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE