



Council
Communication
Office of the City Manager

Date

September 25, 2006

Agenda Item No. 27

Roll Call No. 06-

Communication No. 06-611

Submitted by: Richard A. Clark, City Manager

AGENDA HEADING:

Approving First Amendment to Development Agreement Between City of Des Moines and Court Center, LLC for renovations to 216 Court Avenue, Des Moines, IA.

SYNOPSIS:

The City Council is asked to approve an amendment to the Development Agreement between City of Des Moines and Court Center, LLC (Russ K. McCullough, 200 Stanton Avenue, Suite 101, Ames, IA 50014; David A. Keller, 200 Stanton Avenue, Suite 101, Ames, IA 50014; and Mark Rodgers, 7029 Rocklyn Circle, Urbandale, IA 50322) for renovations to 216 Court Avenue. The amendment would stipulate that: (1) the project completion date in the Development Agreement be extended to March 31, 2007, and (2) the maturity date of the City Bridge Loan be extended to September 30, 2007 or upon receipt of funds from the syndication/sale following the project's completion.

FISCAL IMPACT:

Amount: \$200,000 (funded in FY 06, with repayment to occur in FY 07)

Funding Source: 2006-2007 Operating, p. 310, Economic Development Enterprise Account, SP743 CMO980717 (carryover from FY 06)

ADDITIONAL INFORMATION:

On December 19, 2005, by Roll Call No. 05-2995, the City Council approved a Development Agreement between the City of Des Moines and Court Center, LLC as Developer. The redevelopment project (formerly referred to as the Nacho Mamas Building) is moving forward and the Developer has obtained leases for entertainment and restaurant venues to occupy most of the three-story, 35,000 s.f. building.

Completion of the project's final design and engineering specification to obtain federal historical tax credits has delayed the project's construction schedule, thus pushing back the anticipated completion date and limiting the Developer's ability to repay the City Bridge Loan from the syndication/sale of the approved federal historical tax credits. Due to these delays, the Developer is requesting that (1) the project completion date in the Development Agreement be extended to March 31, 2007, and (2) the maturity date of the City Bridge Loan be extended to September 30, 2007 or upon receipt of funds from the syndication/sale following the project's completion. Staff finds this request to be reasonable and recommends the time extensions as contained in the First Amendment to the Development Agreement.

PREVIOUS COUNCIL ACTION(S):

Date: December 19, 2005

Roll Call Number: 05-2995

Action: Development Agreement with Court Center, LLC for renovations to 216 Court Avenue.
([Council Communication No. 05-731](#)) Moved by Hensley to approve. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S):

Date: October 4, 2005

Roll Call Number: N/A

Action: Approval of Preliminary Concept Plan and Design by Urban Design Review Board

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

Funding of approved Neighborhood Commercial Revitalization Loan in amount of \$200,000.