



Council Communication

Office of the City Manager

Date June 18, 2007

Agenda Item No. 33
Roll Call No. 07-
Communication No. 07-354
Submitted by: **Matthew A. Anderson**
Economic Development Administrator

AGENDA HEADING:

Resolution Approving Issuance of Certificate of Completion for 215 Watson Powell Jr. Way (inPlay).

SYNOPSIS:

Nelson Development 14, L.L.C. (Jake Christensen, Co-Manager, 1045 76th Street, Suite 2000, West Des Moines, IA 50266) has submitted the documentation required to demonstrate completion of their development pursuant to the City's November 20, 2006 Urban Renewal Development Agreement. City staff has inspected the project and has confirmed that the terms of the Agreement have been satisfied.

FISCAL IMPACT: NONE

ADDITIONAL INFORMATION:

inPlay is a full-service family entertainment venue offering a gaming center with over 100 popular virtual reality, interactive, sports, action, and classic games. The facility will also feature banquet and conference accommodations, a full-service restaurant and sports bar, indoor football passing and basketball hoops, and a 3-story indoor rock-climbing wall.

The Development Agreement approved by the City Council on November 20, 2006, authorized a cooperative arrangement with Polk County to fill a financial gap for the project. Polk County pledged to make a \$1,875,000, 0% interest loan to the City of Des Moines. The first installment of \$1,000,000 was advanced immediately. The 2nd and 3rd installments (\$437,500 each) will be advanced on the first and second anniversaries of the issuance of the Certificate of Completion. The City will then advance grant installments to Nelson Development 14, LLC following a parallel installment schedule. The City will repay the County's loan in 10 equal annual installments of \$187,500 commencing January 10, 2010. The City will utilize new tax increment revenue generated by the project to repay the loan. This tax increment is guaranteed by a minimum assessment agreement of \$6,000,000 with Nelson Development 14, LLC.

PREVIOUS COUNCIL ACTION(S):

Date: November 20, 2006

Roll Call Number: 06-2311

Action: Loan Agreement with Polk County, Urban Renewal Agreement with Nelson Development 14, LLC and Conceptual Development Plan for renovation of 215 Watson Powell Jr. Way as an Entertainment Center. (Council Communication No. 06-726) Moved by Coleman to adopt. Motion Carried 6-0.

Date: September 11, 2006

Roll Call Number: 06-1831

Action: Communication from City Manager regarding preliminary terms of agreement with Polk County and Nelson Development 14, LLC for redevelopment of 215 Watson Powell Jr. Way to facilitate the opening of inPlay family entertainment center. SPONSOR: Mayor Cownie. (Council Communication No. 06-590) Moved by Coleman to receive, file and approve preliminary terms of agreement set forth in the Council Communication and to direct the City Manager to proceed with negotiations of formal agreements with Polk County and Nelson Development 14, LLC consistent with the terms set forth in the Council Communication. Motion Carried 6-0.

BOARD/COMMISSION ACTION(S):

Date: October 3, 2006

Roll Call Number: N/A

Action: Urban Design Review Board approval of the financial assistance and project design by a consensus of the members present.