

 <div style="display: inline-block; vertical-align: middle; text-align: center;"> <h1 style="margin: 0;">Council</h1> <h1 style="margin: 0;">Communication</h1> <p style="margin: 0;">Office of the City Manager</p> </div>	<b>Date</b>	May 5, 2008
	<b>Agenda Item No.</b> <u>25</u> <b>Roll Call No.</b> <u>08-</u> <b>Communication No.</b> <u>08-270</u> <b>Submitted by: Matthew A. Anderson</b> <b>Office of Economic Development</b>	

## AGENDA HEADING:

Resolution approving preliminary terms of agreement with Science Center of Iowa (SCI) for residential use of parking spaces in the parking structure located at 101 SW 4<sup>th</sup> Street.

## SYNOPSIS:

The City of Des Moines has a current use restriction in the lease that limits the use of up to 88 spaces in the parking structure located at 101 SW 4<sup>th</sup> St. for residential development in the area. This restriction was desired by the City to provide parking for the new residential development that was anticipated for the south-of Court Ave. area; however, the housing market has not developed as quickly as was anticipated. The use restriction which expires in 2012, is part of the urban renewal lease agreement with the current parking structure's owner, Nelson Development.

As permitted by the lease terms, the Science Center of Iowa (Mary Sellers, President, 401 West MLK Parkway/Des Moines) is now purchasing the parking structure and assignment of the lease.

The proposed continuation for an additional ten years (until 2022) of the residential use restriction of the 88 spaces, including the requirement to market residential subleases of such spaces for terms extending beyond 2022, is desired by the City. It allows the City to limit the use of spaces in this ramp to adjacent residential and mixed use development; having these spaces available for new residents and businesses as well as future displaced residential surface parkers from the current City lot at 5<sup>th</sup> & Court is beneficial. SCI will be responsible for the ramp operations expenses; SCI will receive revenues from those spaces leased to residential and related users.

## FISCAL IMPACT:

Amount: \$225,000 total with three annual payments of \$75,000, starting July 1, 2008.

Funding Source: Economic Development Enterprise Account – Account: 528190, Fund: SP743, Org.: CMO980717, Page

## ADDITIONAL INFORMATION:

One of the major anticipated users would be the residents of the Rumely Building (104 SW 4<sup>th</sup> St.) and several potential developers have indicated a longer-term restriction limiting the parking spaces to residential use is desirable from their lenders' perspective and assists in marketing.

The purchase of the structured parking also allows SCI, an anchor development in the revitalization of the Court Ave. area, (rather than a third party) to control the parking which is a major component to SCI's continued success in the future. This will also permit the City to have first priority to designate use of the 88 spaces which is important in the redevelopment of the overall Court Avenue area.

The use restriction for the 88 spaces provides the City with control, by a reserved right, of parking for future development. The City's financial participation will provide the city with a right to designate residential use of spaces that might otherwise be used for other purposes by SCI. The City will be informed in writing on an annual basis of how many spaces are being subleased under the terms of the use restriction.

#### **PREVIOUS COUNCIL ACTION(S):**

Date: June 20, 2005

Roll Call Number: 05-1524

Action: Issuance of Certificate of Completion to Nelson Development, L.L.C. for Parking Structure Development-Metro Center Urban Renewal Project. Moved by Kiernan to adopt. Motion Carried 5-1-1. Nays: Brooks. Absent: Mahaffey.

Date: September 13, 2004

Roll Call Number: 04-1951

Action: On Urban Renewal Agreement for Lease of Land for Private Redevelopment to Nelson Development L.L.C., to develop Disposition Parcel No. 01-5 in Metro Center Urban Renewal Project, (101 SW 4th). (Council Communication No. 04-438) Moved by Hensley to adopt. Motion Carried 6-1. Nays: Brooks

Date: August 23, 2004

Roll Call Number: 04-1823

Action: Approving License Agreement with Nelson Development, L.L.C. for parking ramp garage in conjunction with development of Science Center Museum in Metro Center Urban Renewal Area. SPONSOR: Hensley. (Council Communication No. 04-433) Moved by Hensley to adopt. Motion Carried 6-1. Nays: Brooks.

Date: June 21, 2004

Roll Call Number: 04-1302

Action: Regarding preliminary terms of agreement with Nelson Development LLC (Mike Nelson, President, Urbandale) for short-term parking lease, 101 SW 4th. (Science Center of Iowa Ramp) Moved by Vlassis to approve the preliminary terms and to authorize the City Manager to finalize the terms in the urban renewal lease that will be included in all development proposals for construction of a

private parking structure on Disposition Parcel No. 01-05/Metro Center Urban Renewal Area at 101 SW 4th Street. Motion Carried 6-1. Nays: Brooks.

Date: March 18, 2002

Roll Call Number: 02-735

Action: On Urban Renewal Agreement for Sale of Land for Private Redevelopment to Science Center of Iowa, to develop Disposition Parcel No. 01-2 in Metro Center Urban Renewal Project, (400 Martin Luther King Jr. Parkway). Moved by Hensley to adopt. Motion Carried 6-1. Nays: Brooks.

**BOARD/COMMISSION ACTION(S): NONE**

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

The final agreement will be brought to the Council for approval.

For more information on this and other agenda items, please call the City Clerk's Office at 515-283-4209 or visit the Clerk's Office on the second floor of City Hall, 400 Robert D Ray Drive. Council agendas are available to the public at the City Clerk's Office on Thursday afternoon preceding Monday's Council meeting. Citizens can also request to receive meeting notices and agendas by email by calling the Clerk's Office or sending their request via email to [cityclerk@dmgov.org](mailto:cityclerk@dmgov.org).