



# Council Communication

Office of the City Manager

Date

May 19, 2008

Agenda Item No. 36  
Roll Call No. 08-  
Communication No. 08-298  
Submitted by: Matthew A. Anderson  
Office of Economic Development

## AGENDA HEADING:

Resolution approving first amendment to lease with Science Center of Iowa (SCI) (Mary Sellers, President, 401 West MLK Parkway/Des Moines) for residential use of parking spaces in the parking structure located at 101 SW 4<sup>th</sup> Street.

## SYNOPSIS:

The Council approved the preliminary terms of agreement at its May 5, 2008 Council meeting for the continuation of the residential use restriction of the 88 spaces in this privately-owned parking structure on leased property, located at 101 SW 4<sup>th</sup> St., including the requirement to market residential subleases of these spaces. The current 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 SCI is now purchasing the parking structure with the assignment of the lease.

The proposed continuation for an additional ten years (until 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 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.

## ADDITIONAL INFORMATION:

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.

One of the major anticipated users would be the residents of the Rumely Building (104 SW 4<sup>th</sup> St.); 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 also will 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 the Science Center. 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: May 5, 2008

Roll Call Number: 08-873

Action: [Preliminary](#) terms of agreement with Science Center of Iowa for residential use of parking spaces in the Science Center of Iowa parking structure, 101 SW 4<sup>th</sup> Street. ([Council Communication No. 08-270](#)) Moved by Vlassis to adopt. Motion Carried 6-1.

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. ([Council Communication No. 05-364](#)) 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 4<sup>th</sup>). ([Council Communication No. 04-438](#)) Moved by Hensley to adopt. Motion Carried 6-1. Nays: Brooks.

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

### **ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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