



# Council Communication

Office of the City Manager

Date

July 28, 2008

Agenda Item No. 31  
Roll Call No. 08-  
Communication No. 08-429  
Submitted by: **Matthew A. Anderson**  
Office of Economic Development

## AGENDA HEADING:

Approving the Second Amendment to Development Agreement and conveyance to the State of Iowa Board of Regents for the use and benefit of the University of Iowa (Sally Mason, President/ Iowa City, Iowa) and issuance of a certificate of completion for the Pappajohn Higher Education Learning Center development located at 1200 Grand Avenue.

## SYNOPSIS:

Approval of two actions relating to the Pappajohn Higher Education Learning Center at 1200 Grand Avenue:

a. The Second Amendment to the Urban Renewal Development Agreement for Disposition Parcel Nos. 01-4A and 01-4B /Metro Center Urban Renewal Area (1200 Grand Ave.) including the consent to the sale of the property from the John and Mary Pappajohn Higher Education Center Foundation (“HEC Foundation” John Pappajohn, President c/o Equity Dynamics, 666 Walnut Street, Suite 2116, Des Moines) to the State of Iowa Board of Regents for the use and benefit of the University of Iowa.

The intended continued use of the property by the University of Iowa as a higher education center learning center is compatible with and satisfies the covenants and use restrictions set forth in the Development Agreement. The University hopes to begin with classes starting in August.

b. Certificate of Completion for the Pappajohn Higher Education Learning Center which acknowledges satisfaction of the developer’s obligations to construct building improvements and release of reversion rights to the property if the improvements were not completed in conformance to the urban renewal agreement.

## FISCAL IMPACT:

Amount: The property will continue to be exempt from property taxes.

Funding Sources: N/A

## ADDITIONAL INFORMATION:

City Involvement with Property

This project is one of the five Capitol City projects awarded funding from the State's VISION IOWA program in summer 2001. The City Council directed the entities awarded VISION IOWA funds, including the HEC Foundation, to work with staff in making a developer-initiated proposal to purchase City-owned land in the downtown. The property located in the Western Gateway Park was identified for the higher education learning center.

As part of the land transaction to the HEC Foundation, the City imposed covenants requiring the property be used and maintained as a higher education center. Any transfer or sale of the property is subject to City Council approval.

#### Proposed Transfer of Ownership

The Board of Regents, on behalf of the University of Iowa, will purchase the property and higher education center building improvements for \$2 million. The Board of Regents will take an assignment of all developer's rights and obligations under the development agreement, including the rights to option to purchase the Phase II property (Disposition Parcel 01-4B) located west of the existing building.

#### Uses

The University of Iowa is proposing to maintain the higher education learning center focus through offering the following courses, programs, and activities:

- Location for the Masters in Social Work Program and undergraduate opportunities (classes starting in August 2008)
- Masters in Educational Administration
- Endorsement in Talented and Gifted Education for public school teachers
- Course work in topics such as ePortfolio® and Special Education
- Office space and training site for the College of Public Health
- Site for courses in the Masters in Library Science
- Office space and training site for the Department of Urban and Regional Planning
- Course work for the Bachelors of Liberal Studies and Applied Studies and advising office
- Site for continuing education activities such as SkillSoft – online noncredit training program
- Graduate and undergraduate offerings in Business
- Certificate in Entrepreneurial Studies
- Coordination of internships for business students
- Office space and training programs offered by the L. A. Waterman Iowa Nonprofit resource
- Consulting Services, workshops, seminars and non-credit courses/activities
- Classroom and meeting space for members of the Des Moines Higher Education Collaborative
- Meeting space for community activities
- Office space for selected University centers

Future plans include:

- Course work in Statistics/Actuarial Science
- Course work in the insurance area such as risk assessment
- Other programs, activities and services identified as of benefit to the community

The University of Iowa notes that many of the Des Moines Higher Education Collaborative Members have a campus in the greater Des Moines area with the exception of the three Board of Regents' universities. (The collaborative is comprised of Grand View College, Simpson College, Drake University, Des Moines Area Community College, University of Northern Iowa, Iowa State University and University of Iowa).

As each of the Collaborative members has made significant financial and in-kind contributions to the Collaborative and the Higher Education Learning Center over the last several years, priority will be given to their requests for use of the building. The Center may fill a void for the Collaborative partners to address special programming needs of local business and Des Moines area government. Special consideration for Center use would be given to collaborative programming among the partner institutions.

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

Date: July 18, 2003

Roll Call Number: 03-1688 and 03-1689

Action: Approving the following items with the HEC Foundation regarding Disposition Parcel Nos. 01-4A and 01-4B, located south of Grand Avenue between 12th Street and realigned 13th Street:

03-1688 First Amendment to Development Agreement to accommodate modifications to plans for the Higher Education Learning Center improvements on the property. Moved by Brooks to adopt. Motion Carried 4-2. Absent: Coleman and McPherson. Council Member Hensley declares a conflict of interest and abstains from voting.

03-1689 Evidence of financing, revised conceptual development plan and lease, and execution of special warranty deed. (Council Communication No. 03-342). Moved by Brooks to adopt. Motion Carried 4-2. Absent: Coleman and McPherson. Council Member Hensley declares a conflict of interest and abstains from voting.

Date: December 2, 2002

Roll Call Number: 02-2819 and 02-2820

Action:

02-2819 Approving Urban Renewal Agreement for sale of land for private redevelopment, (Parcel Nos. 01-4A and 01-4B / Metro Center Urban Renewal Area), 1200 Grand, to the John and Mary Pappajohn Higher Education Center Foundation. Moved by Hensley. Motion Carried 5-2. Absent: Coleman and Vlassis

02- 2820 Approving Conceptual Development Plan. (Council Communication No. 02-613). Moved by Hensley to adopt. Motion Carried 5-2. Absent: Coleman and Vlassis.

Date: October 21, 2002

Roll Call Number: 02-2566

Action: Developer-Initiated Development Proposal from John and Mary PappaJohn Higher Education Center Foundation to develop disposition Parcel Nos. 01-4A and 01-4B in Metro Center Urban Renewal Project and approving minimum requirements and competitive criteria for development. (Council Communication No. 02-554). Moved by Hensley to adopt. Motion Carried 7-0.

Date: October 8, 2001

Roll Call Number: 01-3105

Action: Resolution directing staff to assist Vision Iowa Development projects within Metro Center Urban Renewal Project Area. (Council Communication No. 01-503). Moved by Hensley to adopt. Motion Carried 6-1. Nays: Brooks.

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

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:**

In the event the Board of Regents proceeds to exercise option for development of Phase II property, review and approval of conceptual development plan and financing for Phase II building improvements and approval of conveyance of Phase II property.

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