



Council Communication

Office of the City Manager

Date

August 25, 2008

Agenda Item No. 28
Roll Call No. 08-
Communication No. 08-515
Submitted by: Matthew A. Anderson
Office of Economic Development

AGENDA HEADING:

Resolution approving issuance of certificate of completion for the 4th Street Condos and Market Place Lofts, and authorizing payment of economic assistance.

SYNOPSIS:

Court Avenue Partners II, LLLP (Rick Tollakson, President and CEO, Hubbell Realty Company, 6900 Westown Parkway, West Des Moines, IA 50266) has completed the above referenced project in substantial compliance with the approved Conceptual Development Plan and has requested the City issue a Certificate of Completion as evidence of satisfaction of the developer's construction obligations under the Development Agreement.

Pursuant to the project deadlines established in the Third Amendment to the Urban Renewal Agreement, the developer has not satisfied the March 31, 2008 deadline for completion of the improvements. The City may retain 50% of the \$100,000 Good Faith Deposit as a penalty for untimely completion. The City Manager's Office recommends against enforcement of this provision. The developer has diligently pursued completion of the project throughout the construction period. Construction was completed in phases. Emphasis was placed on completion of the Market Place Lofts Building and Dos Rios restaurant which opened in October 2007. This resulted in a slight delay in the completion of 4th Street Condos.

FISCAL IMPACT:

Amount: \$3,950,353; Issuance of the Certificate of Completion initiates the commencement of economic development grant payments totaling \$3,950,353 to be paid in varying installments. Installments 1 and 2 total \$2,500,000 and are to be paid within 10 business days of issuance of the Certificate of Completion.

Funding Source: FY09 Operating Budget, SP370, FIN909105, Metro Center TIF District, page 154.

ADDITIONAL INFORMATION:

Market Place Lofts and 4th Street Condos feature a total of 94 residential units, approximately 9,000 square feet of commercial space and underground parking. Residents have occupied the lofts for a number of months and marketing of the condos has begun in earnest. This project follows the completion of Hubbell Realty's residential conversion of The Spaghetti Works (3rd and Court).

PREVIOUS COUNCIL ACTION(S):

Date: December 18, 2006

Roll Call Number: 06-2475

Action: Third Amendment to Urban Renewal Agreement for Metro Center Urban Renewal Area (Court Avenue Lofts and 4th Street Condos). (Council Communication No. 06-787) Moved by Vlassis to adopt. Motion Carried 6-0.

Date: March 20, 2006

Roll Call Number: 06-537

Action: Second Amendment to Development Agreement and authorizing closing on sale of vacant parcel west and south of Spaghetti Works Building to Court Avenue Partners II L.P. Moved by Brooks to adopt. Motion Carried 7-0

Date: November 7, 2005

Roll Call Number: 05-2679

Action: First Amendment to Development Agreement with Court Avenue Partners II, L.P. and Court Avenue Investors, Inc. (Vacant parcel west and south of the Spaghetti Works Building). (Council Communication No. 05-639) Moved by Vlassis to adopt. Motion Carried 7-0.

Date: November 8, 2004

Roll Call Number: 04-2446

Action: Hearing regarding Urban Renewal Agreement for sale of land for Private Redevelopment with Court Avenue Partners II, L.P. (Council Communication No. 04-567) Moved by Hensley to adopt. Motion Carried 5-1-1. Nays: Brooks. Pass: Vlassis.

BOARD/COMMISSION ACTION(S):

Date: April 4, 2006

Roll Call Number: N/A

Action: The Urban Design Review Board at its April 4, 2006 meeting, by unanimous consensus vote of the members present, recommended approval of the Conceptual Development Plan for Court Avenue Lofts and 4th Street Condos.

The Board also recommended the Community Development Director grant an exception to the Court Avenue tax abatement design guidelines for new construction, noting the total percentage of brick and the solid appearance of the precast on the base level is very close to meeting or exceeding the 75% requirement.

Date: March 21, 2006

Roll Call Number: N/A

Action: Preliminary review of the Conceptual Design Plan. No action taken. Developer's design team was asked to consider the Board's comments and present a revised Conceptual Design Plan at a future Board meeting.

Date: April 20, 2006

Roll Call Number: N/A

Action: Planning and Zoning Commission, by 10-0 vote, approved the site plan for Court Avenue Lofts and 4th Street Condos on the following conditions:

- Provision of 37 shrubs in parking lot landscape buffer along Third Street frontage.
- Provision of a total of 2 street trees along Court Avenue.
- Provision of a total of 11 street trees along Fourth Street.
- Consultation with the City Arborist to determine the number, species and locations appropriate for street trees along Third Street in accordance with the City's Landscape Standards.
- Compliance with all Site Plan requirements of the Permit and Development Center.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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