



# Council Communication

Office of the City Manager

Date

February 22, 2010

Agenda Item No. 36  
Roll Call No. 10-  
Communication No. 10-077  
Submitted by: Matt Anderson  
Office of Economic Development

## AGENDA HEADING:

Resolution approving issuance of a Certificate of Completion to Village Place, L.L.C., represented by John Burgeson, its Managing Member, for the Village Place development in the block bounded by E. Locust, E. Walnut, E. 5th and E. 6th Streets.

## SYNOPSIS:

Village Place, L.L.C., has substantially completed a 5-story mixed use building fronting on E. Locust Street, a 2-story building with residential over commercial space fronting on E. 6th Street and a parking ramp fronting on E. Walnut Street, in compliance with the Urban Renewal Development Agreement approved by the City Council on June 19, 2006, by Roll Call No. 06-1259.

## FISCAL IMPACT:

Amount: 20-year payment stream totaling \$2,045,000. The net present value of this assistance at a 7% discount rate is \$1,060,970.

First installment of \$50,000 will be due on December 15, 2010. The following 19 annual installments will be \$105,000 each. The first installment is lower because it was anticipated to be paid from the taxes generated by the value of the improvements prior to full completion.

Funding Source: The project will be funded through new property taxes generated directly from the project. The completed project is projected to generate a new annual property tax increment of \$145,000 before payment of economic development assistance installments. This tax increment is secured through a Minimum Assessment Agreement. Metro Center Urban Renewal District, SP370, FIN909105, FY2009 – 2010 Operating Budget, Page 115.

## ADDITIONAL INFORMATION:

On June 19, 2006, by Roll Call No. 06-1259, the City Council approved an Urban Renewal Development Agreement with Village Place, L.L.C. (the "Developer"). Pursuant to that Agreement, the Developer agreed to construct a 5-story mixed use building fronting on E. Locust Street containing at least 34,000 square feet of interior space (exclusive of the garage and areas below grade), a 2-story building fronting on E. 6th Street containing at least 3,150 square feet of commercial space on the first floor, with residential on the second floor, and a parking ramp containing at least 200 parking spaces; and the City agreed to pay to the Developer an economic development grant in the amount of \$2,045,000, to be paid in 20 annual installments.

The parking garage has been fully completed and placed into use, and the balance of the commercial and residential space has been completed in substantial compliance with the approved Conceptual Development Plan and is ready for installation of the tenant improvements.

**PREVIOUS COUNCIL ACTION(S):**

Date: June 19, 2006

Roll Call Number: 06-1259

Action: Urban Renewal Development Agreement with Village Place, L.L.C. for development of Village Place, 517 E. Locust Street and authorizing submission of Enterprise Zone Application to State of Iowa. (Council Communication No. 06-375) Moved by Kiernan to adopt. Motion Carried 7-0.

Date: June 6, 2006

Roll Call Number: 05-1417

Action: Communication regarding proposed East Locust development represented by John C. Burgeson. Moved by Brooks to receive, file and refer to the City Manager for review and recommendation. Motion Carried 7-0.

**BOARD/COMMISSION ACTION(S):**

Date: June 6, 2006

Roll Call Number: N/A

Action: Urban Design Review Board recommended approval of tax increment financing assistance for Village Place. The Board also recommended approval of the conceptual development plan.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**

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).