

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date:	December 3, 2012
	Agenda Item No.	28
	Roll Call No.	<u>12-1851</u>
	Communication No.	<u>12-604</u>
	Submitted by:	Matthew A. Anderson, Assistant City Manager

AGENDA HEADING:

Resolution Approving Installment Agreement with Hubbell Realty Company and Hubbell Terminal Corporation.

SYNOPSIS:

On May 19, 2008, by Roll Call No. 08-935, City Council approved a Supplemental Development Agreement with Hubbell Realty Company and Hubbell Terminal Corporation (hereinafter collectively referred to as “Hubbell”) (Rick Tollakson, President, 6900 Westown Parkway, West Des Moines, Iowa) related to the design and construction of SW 11th and Murphy Streets. In the agreement, Hubbell agreed to reimburse the City for portions of the design and construction costs of SW 11th and Murphy Streets upon its completion and acceptance by the City. Under the agreement, Hubbell’s portion of the costs amount to \$445,633.40. Hubbell has requested that payment be accepted by the city in installments beginning with the approval of this agreement and ending 12-13-2013. City staff is recommending approval of the Installment Agreement.

FISCAL IMPACT:

Amount: \$445,633.40 repaid in installments of \$155,633.40 within 20 days of execution and approval of the installment agreement; \$150,000 by 12-31-2012 and \$140,000 by 12-31-2013.

Funding Source: Funds to be deposited to CIP Riverpoint West Street Improvements, Fund Code CPO38, Organization Code: ENG990000, Project: STR227, Fiscal Year 2012-2013 CIP, Page Street Improvements - 28

ADDITIONAL INFORMATION:

The Supplemental Development Agreement contains provisions whereby (1) Hubbell conveyed property to the City of Des Moines that was needed for right-of-way improvements on SW 11th Street and Murphy Street at no cost to the City, and (2) provided for Hubbell to participate in the cost of design and construction to be reimbursed to the City for 25% of the costs for the improvements to SW 11th Street and 50% of the costs for improvements to Murphy Street once the improvements were complete and accepted by the City. SW 11th and Murphy Streets have been constructed and accepted by the City. Hubbell’s portion of the cost reimbursement to the City is \$445,633.40. The proposed Installment Agreement provides for this amount to be paid in installments between the approval of the agreement and 12-31-2013.

The Agreement provides the City, as security for the installment terms, an assignment of Hubbell's interest in the payments of \$150,000 and \$140,000 to be made by River Point West LLC to Hubbell and in the land being purchased from Hubbell by River Point West LLC pursuant to the Settlement Agreement and Releases by and between Hubbell Terminal Corporation, Hubbell Realty Company, River Point West LLC, and Sherman Associates, Inc., dated September, 2011. The tract of land is approximately 5.35 acres and is located along the western edge of SW 11th Street from Tuttle on the north to Dart Lane on the south. If the installment payments are not made, the City will take title to this tract of land in settlement of the outstanding debt owed by Hubbell. The land can then be made available for redevelopment.

PREVIOUS COUNCIL ACTION(S):

Date: September 10, 2012

Roll Call Number: [12-1470](#)

Action: [Regarding](#) the proposed CityVille Development at SW 9th and Murphy Streets by Hubbell Realty and authorize the City Manager to negotiate a final agreement for City financial assistance. ([Council Communication No. 12-492](#)). Moved by Hensley to receive and file and to authorize the City Manager to negotiate a final development agreement for City financial assistance based on the preliminary terms of agreement as outlined in Council Communication No. 12-492; refer to the City Manager to report on what category of property tax will be used for the project and if the dwellings will be market rate. Motion Carried 7-0.

Date: May 19, 2008

Roll Call Number: [08-935](#)

Action: [Supplemental](#) Development Agreement with River Point West LLC, Hubbell Realty Company and Hubbell Terminal Corporation for construction of SW 11th and Murphy Street improvements in conjunction with Riverpoint West and former Pittsburgh DSM Steel redevelopment projects. ([Council Communication No. 08-304](#)). Moved by Hensley to adopt. Motion Carried 7-0.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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