

Date July 29, 2013

APPROVAL OF FIRST AMENDMENT TO URBAN RENEWAL DEVELOPMENT AGREEMENT WITH THE GREATER DES MOINES BOTANICAL CENTER

WHEREAS, by Roll Call No. 11-0825 of May 9, 2011, the City Council approved an Urban Renewal Development Agreement between the City and The Greater Des Moines Botanical Garden which Agreement provides for the construction of additional improvements and expanded gardens for the Botanical Center and provision of a \$2,000,000 economic development grant to be paid in installments; and

WHEREAS, the City and the Greater Des Moines Botanical Garden desire to amend the Agreement with respect to the scheduled payments of the economic development grant.


NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa that the First Amendment to the Urban Renewal Development Agreement between the City and The Greater Des Moines Botanical Center Garden, on file in the Office of the City Clerk, is hereby approved and the Mayor is authorized and directed to sign the First Amendment on behalf of the City and the City Clerk is hereby authorized and directed to attest to the Mayor's signature and affix the seal of the City.

BE IT FURTHER RESOLVED upon satisfaction of the conditions for payment of installments of the \$2,000,000 economic development grant pursuant to Article I of the Development Agreement, as amended, and confirmation of the same by the City Manager and the Legal Department, the Finance Department is hereby authorized and directed to advance the installments of such grant to The Greater Des Moines Botanical Garden in accordance with the terms of the Development Agreement, as amended.

BE IT FURTHER RESOLVED that the City Manager or his designees are hereby authorized and directed to continue to administer the Development Agreement, as amended, on behalf of the City, and to monitor compliance by The Greater Des Moines Botanical Garden with the terms and conditions of the Development Agreement, as amended.

APPROVED AS TO FORM:

Moved by _____ to adopt.


Lawrence R. McDowell
Deputy City Attorney

(Council Communication No. **13-383**)

Renae1\LARRYRC\Botanical Center - First Amendment to Development Agreement.docx

COUNCIL ACTION	YEAS	NAYS	PASS	ABSENT
COWNIE				
COLEMAN				
GRIESS				
HENSLEY				
MAHAFFEY				
MEYER				
MOORE				
TOTAL				

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

MOTION CARRIED APPROVED

Mayor

City Clerk

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Greater Des Moines
Botanical Garden
A NEW BEGINNING

July 12, 2013

Rick Clark
City Manager
City of Des Moines
400 East 1st Street
Des Moines, IA 50309

RECEIVED

JUL 12 2013

CITY MANAGER'S OFFICE

Dear Mr. Clark:

The Greater Des Moines Botanical Garden project is moving along substantially, as projected in the Lease Agreement with the City and the Master Plan approved by the City Council one year ago.

Our original fundraising goal of \$10,000,000 was increased along the way to \$11,600,000, and we have closed out the Phase I Campaign after raising \$12,000,000. We will initiate a Phase II Capital Cost Campaign in the near future with a goal of \$6,200,000. In addition the Greater Des Moines Botanical Garden established a \$2,000,000 endowment at the Community Foundation of Greater Des Moines in January 2013.

All of the non-landscaping construction work is under contract with a guaranteed maximum price just shy of \$4,200,000. The work is well underway and we expect it to be largely complete by October 1, 2013. The landscaping work is currently being bid and we anticipate that it will be under contract in July. We expect that the initial landscaping contract will be approximately \$3,850,000, which will include all of the Phase I work plus some Phase II work, to the extent that we have already raised the money. Some \$650,000 has already been raised for Phase II and we are working on a lead gift for the Phase II campaign.

We anticipate completing something in excess of 70% of the total work under contract by the end of this construction season, by which we mean December 1, 2013. The balance will be done during the spring and early summer of 2014. We are looking forward to a grand opening in late summer 2014.

While the fundraising and construction activities have been going well, our operating income is substantially below normal due to the limitations of construction. Since taking on the operations on January 1, 2013 the conservatory has remained open (it will be closed July 1 through early September) and we have offered a great line-up of programs. In addition to our capital campaign we have kicked off an annual fund and continue to grow our membership base. However, the restaurant and gift shop have been closed since December 2012 and our rentals have been reduced due to the construction activity.

The enhanced grant from BRAVO and the in-kind support of the Des Moines Water Works have helped a great deal. We are soliciting annual fund gifts, but since many of our capital fund donors are still paying off their pledges, the annual fund support is limited.

Consequently, we are requesting that the City to accelerate payment of at least a portion of the \$200,000 per year Economic Development Grant. The existing development agreement would cause the first payment to not be made until October 1, 2014. We would appreciate it very much if the City would distribute 50% of the Annual Grant during 2013.

The requested payment schedule would include an initial \$100,000 payment in December 2013, with additional \$100,000 payments every June and December.

We will send data substantiating the funds raised to date. Please let me know if there is additional information you need to give full consideration to this request.

Thank you.

Sincerely,



Stephanie Jutila

President and CEO

sjutila@dmbotanicalgarden.com

515.323.6261