



Roll Call Number

14-1479

Agenda Item Number

35

Date September 22, 2014

RESOLUTION APPROVING PROPOSAL FROM MIDAMERICAN ENERGY COMPANY FOR THE UNDERGROUNDING OF OVERHEAD ELECTRIC LINES FOR THE ARTISAN ROW, LLC, PROJECT AT 1623 GRAND AVENUE

WHEREAS, on September 21, 2014, by Roll Call No. 14-0627, City Council approved an Urban Renewal Development Agreement with Artisan Row, LLC, represented by Rick Tollakson, President of Hubbell Realty Company, for a \$7.3 million project constructing 27 for-sale townhomes on the former Iowa Paint property bounded by Ingersoll, Grand, 16th and 17th Streets, while retaining the existing 5400-square-foot commercial building on the NW corner of the site, which will be remodeled as professional office space; and,

WHEREAS, pursuant to the Development Agreement, the City agreed to provide an Economic Development Grant to Artisan Row, LLC, in the amount of \$266,000 to address an unexpected financing gap attributed to site development costs, specifically water service and the undergrounding of overhead electric lines; and,

WHEREAS, the actual cost of undergrounding the overhead electric lines has come in substantially above the original estimates provided by MidAmerican Energy, causing the City and Artisan Row, LLC, to seek ways to reduce those costs; and,

WHEREAS, the Office of Economic Development and Engineering staff have worked with MidAmerican Energy on a proposal for the undergrounding of overhead lines to be conducted as a beautification effort under a contract with the City, which will avoid the 21% tax surcharge on relocation costs normally required of private entities by MidAmerican Energy, bringing the total cost for the work to \$291,444; and,

WHEREAS, the Office of Economic Development recommends that the City Council authorize the City Manager to contract with MidAmerican Energy for the relocation of the overhead lines within the block described above, subject to Artisan Row, LLC, advancing the full amount to be paid to MidAmerican Energy under the contract for such work.

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Des Moines, Iowa, as follows:

- 1. The City Manager is hereby authorized, to enter into a contract on behalf of the City of Des Moines with MidAmerican Energy in a form approved by the City Legal Department, for the relocation of the overhead electric lines within the block described above, subject to Artisan Row, LLC, advancing the full amount to be paid to MidAmerican Energy under such contact.



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- 2. The City Manager is hereby further authorized and directed to administer such contract on behalf of the City.

(Council Communication No. 14-470)

MOVED by Coleman to adopt.

FORM APPROVED:

Roger K. Brown

Roger K. Brown

Assistant City Attorney

G:\USERS\RKBrown\Rog Docs\Eco Dev\Artisan Row - Hubbell\RC Approve MidAm Agr 14-09-08.dot

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|------|--------|
| COWNIE | ✓ | | | |
| COLEMAN | ✓ | | | |
| GATTO | ✓ | | | |
| GRAY | ✓ | | | |
| HENSLEY | ✓ | | | |
| MAHAFFEY | ✓ | | | |
| MOORE | ✓ | | | |
| TOTAL | 7 | | | |

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.

Y. M. Franklin Council Mayor

Diane Rauh City Clerk