

CITY COUNCIL COMMUNICATION 97-164
APRIL 7, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
28E INTERGOVERNMENTAL AGREEMENT WITH POLK COUNTY FOR PARK AND RIDE PROJECT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	ERIC A. ANDERSON CITY MANAGER

SYNOPSIS —

A 28E Intergovernmental Agreement between the City of Des Moines and Polk County has been prepared. The agreement provides for Polk County to loan to the City up to \$8 million for financing the local cost-share of the Park and Ride Project. The agreement stipulates that the City will repay the full amount of the loan from the Municipal Parking System. If it becomes necessary to augment the Parking System in order to make the required payments to Polk County, the agreement stipulates that the City adjust parking rates or provide other funds such as tax increment. The agreement has been drafted to ensure that the loan provided by Polk County would not become a general obligation of the City, and thus, would not count against the City's legal debt limit. Further, the agreement stipulates that the County loan would be subordinate in right of payment to outstanding Parking System Revenue Bonds, and that the County loan would in no way preclude the City from issuing additional senior parking bonds in the future. Upon approval of the 28E Intergovernmental Agreement by Polk County, a loan agreement will be prepared and submitted for Council approval within the next 30 days.

FISCAL IMPACT —

The proposed agreement constitutes an obligation of the Parking System and will require an annual review of the Parking System to ensure adequate funds are available to meet the terms of this agreement as well as other needs and obligations of the Parking System. If necessary, I will recommend that parking rates be adjusted or that tax increment funds be used to ensure that the Parking System can meet its financial requirements.

RECOMMENDATION —

Approve.

BACKGROUND —

On January 27, 1997, the City Council approved an agreement with The Principal Mutual Life Insurance Company for parking spaces in the Park and Ride Project. This agreement provides for the lease of 900 parking spaces to Principal at the rate of \$100 per month per space for a term of 40 years. The Park and Ride Project will be funded with federal grants totaling about \$15.2 million, as well as the local matching funds. In addition to the 28E Intergovernmental Agreement with Polk County, the Council will be asked to approve a 28E Intergovernmental Agreement with the MTA which identifies the City as a "subgrantee" with respect to the federal grant funds, and provides for the City to construct, own, operate, and maintain the facility. Elsewhere on the Council agenda of April 7, 1997 is an item which calls for Council to initiate the bid process for the project, and an item which approves the necessary urban renewal plan amendment.