



Agenda Item:

056

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 05/17/04
No.: 04-296
Agenda Item Type: Resolution
No.:

Communication

Roll Call

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution approving second amendment to the Memorandum of Understanding with Des Moines Development Corporation for the gateway project

SYNOPSIS—

Council as asked to approve the second amendment to the Memorandum of Understanding (MOU) with Des Moines Development Corporation (DMDC) and to approve the assignment of purchase agreements for 1429 Locust Street and 1330 Grand Avenue to DMDC Properties Corporation.

FISCAL IMPACT—

This amendment has no fiscal impact.

RECOMMENDATION—

Approval

BACKGROUND—

On April 19, 1999 by Roll Call No. 99-1190, the City entered into a Memorandum of Understanding (MOU) with the Des Moines Development Corporation (DMDC) in respect to the

Gateway Project. On May 15, 2000 by Roll Call No. 00-1481, the MOU was amended. The parties find it again necessary to amend the MOU to reflect additional changes identified through their experience to date in implementing the Gateway Project.

More specifically, the amendment to the MOU:

1. Deems that DMDC Properties Corporation is the successor to position of DMDC under the MOU.
2. Anticipates the satisfaction of DMDC's original \$5 million contribution in support of the Western Gateway contemplated by Paragraph 1.A (1) of the MOU. DMDC also committed funding to the Eastern Gateway and to date, that contribution commitment has not been satisfied. The \$6 million commitment currently under negotiation for funding to complete the acquisition of the remaining property and construct the park improvements has not been finalized.
3. Establishes a procedure wherein DMDC Properties will assist the City in the acquisition of properties in the Western Gateway. Each transaction will be the subject of a specific agreement between the parties and DMDC Properties would be reimbursed for its entire out-of-pocket costs including reasonable interest charges and fees on borrowed funds. DMDC Properties will derive no profit or other benefit from its role.