



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 09/13/04

Communication

No.: 04-438

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04-

Roll Call No.:

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution to open/close public hearing for approval of a 50-year lease with Nelson Development LLC (Jake Christensen and Mike Nelson, Officers/ 4183 NW Urbandale Dr., Urbandale, Ia. 50322) for the construction of a privately-owned parking structure, available for public use, to be located on City-owned property at 101 SW 4th Street (Disposition Parcel No. 01-05/Metro Center Urban Renewal Area) and approval of conceptual development plan and evidence of financing.

SYNOPSIS—

The Council previously set the morning of September 13, 2004 for receipt of competitive proposals for the development of a parking ramp on City-owned property directly north of the new Science Center of Iowa (SCI) currently under construction and, if no proposals are received, open and close the public hearing on approval of the long-term lease of City-owned property at 101 SW 4th Street to Nelson Development LLC.

[As of Sept. 8, 2004, no competitive proposals were anticipated for this property.]

FISCAL IMPACT—

The Council previously approved the preliminary terms for the short term license of parking spaces at its June 21st meeting. The terms for City financial participation, incorporated in the urban renewal lease agreement, are:

- City will pay for 88 stalls at \$120/month/stall (for \$126,720 annually). The City's payment will be for a two-year term commencing on or about April 1, 2005.

- The City will be entitled to use these spaces and receive the revenue from assigning use during this two-year term.
- Spaces in the ramp will be designated for long-term housing use for an additional 5 years (to 2012).

RECOMMENDATION—

Approval

BACKGROUND—

At the August 9, 2004 meeting, the Council received a developer-initiated proposal from Nelson Development LLC for a 50 year lease of City-owned property (Disposition Parcel No. 01-05/Metro Center Urban Renewal Area) which is directly north of the new Science Center of Iowa, for the construction of a 298 space parking deck. This proposal includes a provision for a two-year license of 88 spaces to the City and a five-year restriction on long-term use of spaces other than residential as directed by the Council at its June 21, 2004 meeting.

Urban Design Review Board

At its September 7, 2004 meeting, the Board approved the conceptual development plan (4 in favor, 1 against and 2 abstentions) and the evidence of financing for the project.

Evidence of Financing

The estimated construction cost is \$4,800,000. Project financing is being provided by developer equity and Freedom Financial Bank (7380 Vista Dr./West Des Moines). The bank and developer have confirmed their financial participation in the project. In addition, the developer has also agreed to terms for SCI's option to purchase the ramp by January 2007.