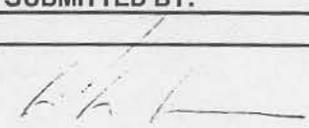


**OFFICE OF THE CITY MANAGER  
DES MOINES, IOWA**

**CITY COUNCIL COMMUNICATION 96-090  
FEBRUARY 26, 1996 AGENDA**

SUBJECT:	TYPE:	PREPARED BY:	SUBMITTED BY:
SALE OF VARIOUS LOTS	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SCOTT STRICKER ECONOMIC DEVELOPMENT ADMINISTRATOR	 ERIC A. ANDERSON CITY MANAGER

**SYNOPSIS —**

On the February 26, 1996, Council agenda is a roll call which provides for the sale of 13 lots as *excess property*. These lots are located in urban renewal areas that have expired urban renewal plans or have a very low level of activity because a majority of the proposed activities have been completed by the City.

**FISCAL IMPACT —**

The minimum purchase prices of these lots will be determined by the City Engineering Department, based upon a written report of value. The sale of these lots will relieve the City of the costs of maintenance (mowing and snow removal) as well as place these lots back on the property tax rolls. Revenues from the sale of these lots will be deposited into the Community Development Block Grant general account or a City account, as is appropriate.

**RECOMMENDATION —**

Approval of the roll call which lists disposition properties for sale, and establishes the guidelines and form of documents for such sales.

**BACKGROUND —**

The Office of Economic Development (OED) currently has responsibility for approximately 200 lots. About 100 of these lots were acquired as part of the 1993 flood residence buyout. The remaining lots have been acquired for urban renewal projects in areas such as Central Place Industrial Park, Guthrie Avenue Business Park, Southeast Industrial Area, Vandalia, Riverpoint Capitol-Center (for the Capitolview South residential redevelopment) and Logan. Many of these lots are available for sale or will be assembled with other lots for future redevelopment in such areas as the Vandalia Acres Industrial Park.

OED has identified 13 properties in this inventory that are located in former urban renewal areas or in project areas in which further urban renewal action is not contemplated for the property by the City. It is appropriate at this time to designate these properties as *excess property* and offer them for sale under terms that reflect appropriate requirements.

A listing of the *excess property* lots now for sale is provided in the roll call. The roll call also provides the terms of the sale for these 13 properties which include:

- The buyer must make a deposit of 25 percent of the property purchase price as a good faith deposit. If construction is not completed within one year of the date of conveyance of the property, the good faith deposit will be forfeited to the City. (This provision will not apply to sideyard purchases.)
- The buyer must provide written evidence of his/her ability to finance the development proposed on the property.
- The properties are sold in *as-is* condition. The buyer, may at his/her expense, undertake environmental testing prior to the property conveyance. If contamination is found at a level that would require remediation, the buyer can withdraw his/her offer or request the City to undertake the remediation action. The City can undertake the remediation action or terminate the offer for the property.
- The buyer has the option of having the property conveyed by Quit Claim Deed (no abstract, no property survey) or by Special Warranty Deed (the abstract and property survey are at the buyer's cost).
- If the property is located in a City Council recognized or designated neighborhood, staff will forward the buyer's proposal to the neighborhood organizations for their comment. A 30-day comment period will be permitted.

The initial offering for the properties will require purchase offers to be received by the City by noon on Friday, April 19, 1996. If competing proposals are received for the same property, staff will make a recommendation to the Council as to which proposal it favors. The staff will take into account the price offered for the purchase of the lot as well as the value of the proposed development and its estimated property tax return. Other entities that will review the proposals and forward comments onto the Council include: the appropriate neighborhood organization and the Urban Renewal Board.

A roll call authorizing a 30-day newspaper notice indicating the City's intent to sell these properties will be placed on the April 22, 1996, agenda. It is anticipated that the Council will open and close the public hearing, required by law, for the sale of the properties and authorize conveyance of the properties at its May 28, 1996, meeting.

After this initial offering, the City will receive offers on a first-come, first-served basis for any properties remaining after the May 28 Council meeting.

Any garden leaseholders for these properties will be notified of the terms and conditions of the sale and be made aware that their lease can be terminated by a 30-day advance notice from the City.