

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

**CITY COUNCIL COMMUNICATION 97-155  
MARCH 24, 1997 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
LICENSE AGREEMENT WITH HOUGHTON PROPERTIES	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SCOTT STRICKER ECONOMIC DEVELOPMENT ADMINISTRATOR

**SYNOPSIS —**

On the March 24, 1997, Council agenda is a roll call to authorize the City Manager or his designee to negotiate and execute a License Agreement with Houghton Properties to conduct footing and foundation work and to install underground utilities on land located south of Guthrie Avenue between vacated Dixon Court and E. 18th Street (Disposition Parcel No. 20B/Guthrie Avenue Business Park).

**FISCAL IMPACT —**

N/A.

**RECOMMENDATION —**

Authorize the City Manager or his designee to execute a License Agreement with Houghton Properties for Disposition Parcel No. 20B/Guthrie Avenue Business Park.

**BACKGROUND —**

On June 17, 1996, the City Council took the following actions regarding Houghton Properties' ("Redeveloper") proposal to redevelop all of Disposition Parcel No. 20B/Guthrie Avenue Business Park ("Property"), located south of Guthrie Avenue between vacated Dixon Court and E. 18th Street. The Council:

- Entered into the Agreement to Purchase Land for Private Redevelopment;
- Approved the evidence of financing and final design plans for the south portion of Disposition Parcel No. 20B, which included the construction of 32,400 square feet of flex space;
- Executed the Special Warranty Deed for the south portion of Disposition Parcel No. 20B; and
- Entered into a License Agreement with the Redeveloper to conduct grading and site preparation work on the entire Property.

Houghton Properties is an Iowa partnership that was organized in December 1995. The company is involved in the development of commercial and industrial flex space. Jonathan Houghton is the President of Houghton Properties. There are three owners of the company: Mr. Houghton's children, Hiram, Tiffany and Jaelyn Houghton of 9922 Tanglewood, Urbandale, Iowa, who each own one-third of the business.

On February 24, 1997, the City Council approved the evidence of financing and final design plans for the north portion of Disposition Parcel No. 20B, which included the construction of 22,000 square feet of flex space. The City of Des Moines has condemned and is now in possession of the north portion of Disposition Parcel No. 20B. However, the prior owner is appealing the price that the condemnation

panel awarded in October 1995. The court date for the jury to hear the appeal has been rescheduled two times and is set for April 7, 1997.

In order to control costs and develop the project effectively, Houghton Properties is requesting authorization to conduct footing and foundation work and to install underground utilities prior to the City conveying title to the north portion of Disposition Parcel No. 20B. Title to this property is expected to be transferred to the Redeveloper by May 1997. The License Agreement will stipulate that the Redeveloper shall conduct the work at its sole cost and risk of obtaining title to the property.