

CITY COUNCIL COMMUNICATION 97-476
SEPTEMBER 22, 1997 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
SPECIAL WARRANTY DEED— HOUGHTON PROPERTIES PARCEL 20B/GUTHRIE AVENUE BUSINESS PARK (1771 GUTHRIE AVENUE)	◆ RESOLUTION ORDINANCE RECEIVE/FILE	JAMES GRANT COMMUNITY DEVELOPMENT DIRECTOR

SYNOPSIS —

On the September 22, 1997 agenda is a roll call that requests Council to approve, execute, and deliver a Special Warranty Deed for the north portion of Disposition Parcel No. 20B to Houghton Properties. The property is located south of Guthrie Avenue between vacated Dixon Court and East 18th Street (1771 Guthrie Avenue). The redeveloper owns the south portion of the property and has constructed a 32,400 sq. ft. flex space building on it. Houghton Properties is requesting title to the north portion of the property to complete all transactions related to a 22,000 sq. ft. flex space development.

FISCAL IMPACT —

Sale proceeds of \$61,150 for the north portion of Disposition Parcel No. 20B will be deposited into the Guthrie Avenue Business Park account. No real estate commission will be paid because no real estate broker has been retained by Houghton Properties to secure acceptance of the redevelopment proposal.

RECOMMENDATION —

Authorize approval, execution, and delivery of the Special Warranty Deed for the north portion of Disposition Parcel No. 20B/Guthrie Avenue Business Park to Houghton Properties.

BACKGROUND —

On May 6, 1996, by Roll Call No. 96-1686, the City Council accepted the redevelopment proposal submitted by Houghton Properties, subject to receipt of any competing proposals. Houghton Properties has constructed 54,400 sq. ft. of flex space in two buildings on approximately 3.7 acres south of Guthrie Avenue between vacated Dixon Court and East 18th Street in the Guthrie Avenue Business Park.

The redeveloper owns the south portion of Disposition Parcel No. 20B and has built the 32,400 sq. ft. Stage I development. The Barron Equipment Company, Fastenal and Sylvan America Inc., a new value-added agribusiness in Des Moines, collectively lease approximately 20,000 sq. ft.

On May 19, 1997, the City Council authorized the City Manager to negotiate and execute a License Agreement with Houghton Properties to construct the 22,000 sq. ft. Stage II development on the north portion of the property at the redeveloper's risk. Houghton Properties has constructed the building. IKON Office Solutions Inc. leases 8,700 sq. of this development. This project completes redevelopment of the entryway into the Business Park.

Although the City had possession of the north portion of Disposition Parcel No. 20B, it was unable to transfer title to the redeveloper because the prior owner appealed the price that the condemnation panel awarded in October, 1995. The District Court hearing was concluded in July, 1997. On July 22, 1997, the City paid the required amount, and has now obtained clear title to the property.

Special Warranty Deed

On February 24, 1997, the City Council approved the evidence of financing and final design plans for the 22,000 Stage II development as required by the Urban Renewal Agreement prior to conveyance of the north portion of the property. The redeveloper has met all requirements, and is requesting conveyance of the property.