

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-613

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

AGENDA:

DECEMBER 3, 2001

SUBJECT:

ACQUISITION OF
1202 AND 1300
SCOTT AVENUE

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SYNOPSIS -

The property owners of 1202 and 1300 Scott Avenue were interested in an early acquisition of their properties, since their business was unable to expand at the current location and they have chosen to relocate to the Guthrie Avenue Business Park to accommodate their expansion needs. The property owners requested that their now vacated properties be acquired as an early acquisition for the planned extension of the Martin Luther King, Jr. (MLK) Parkway project from the Des Moines River to SE 14th Street segment. Per the property owners' request, the City Council requested staff to discuss the early acquisition of their properties. These discussions have resulted in a purchase agreement, which allows the properties to be purchased by the City, over a five-year period, at a cost of \$280,000 per year. This agreement has been negotiated with the property owners, L & M Enterprises, a/k/a Lomar Wholesale Groceries, Inc. and Marilyn A. Hurwitz, as trustee of the Marilyn A. Hurwitz Trust.

SUBMITTED BY:

FLOYD BENTZ, P.E.
CITY ENGINEER

FISCAL IMPACT -

Payment for the first installment of \$280,000 shall be made with \$80,000 from the Corridor Studies and Acquisition Capital Improvement Account and \$200,000 from the Lincoln Place Drive Soil Stabilization Capital Improvements Account. The Lincoln Place project has now been delayed until Fiscal Year (FY) 2003. The project was originally designed as a tie-back retaining wall. The project, as originally designed, was bid resulting with excessively high prices. A redesign of the wall and subsequent rebid also resulted in an excessively high price. Currently, a new concept of repair, such as road relocation, is being examined. This new concept development will require additional time; therefore, a delay in the project is necessary. Funds will be reimbursed to Lincoln Place Drive by the issuance of new bonds in the spring of 2002. The cost of the acquisition of 1202 and 1300 Scott Avenue will be partially off-set by the City having the opportunity to market these properties for lease with an estimated annual rental income of \$100,000 - \$125,000 starting in the third payment year (January, 2004-2006).

RECOMMENDATION -

Approval.

BACKGROUND -

MLK Parkway is currently under construction from SW 2nd Avenue west to Fleur Drive and from Fleur Drive north to I-235/MLK Interchange. The ultimate MLK Parkway includes extension of the current project east across the Des Moines River to connect to SE 14th and SE 15th Streets. A primary corridor study and environmental assessment has been accomplished on this segment from the Des Moines River to SE 14/SE 15th Streets.

The properties at 1202 and 1300 Scott Avenue are shown in the primary corridor as being required for future construction. However, these properties will not be required for construction for at least the next five to seven years.
