



Agenda Item:

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COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 02/23/04

Communication

No.:04-095

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Richard Clark, Deputy City Manager

SUBJECT—

Resolution establishing fair market value and authorizing acquisition of the remaining properties for the western gateway project by gift, negotiation, or condemnation

SYNOPSIS—

This action establishes the Fair Market Value for properties located between 13th Street to 15th Street, Grand to Locust not currently owned by the City of Des Moines or Neighborhood Improvement Corporation (NIC). This action also authorizes acquisition of these properties by gift, negotiation, or condemnation of properties for the Western Gateway Project in the Metro Center Urban Renewal Development Area necessary to complete the Western Gateway Park.

FISCAL IMPACT—

It is estimated that acquisition, relocation and demolition will total \$5,300,000. These activities will be funded through bonds to be issued as outlined in the existing and proposed CIP. The bonds will be repaid with tax increment proceeds generated by the Metro Center Urban Renewal Development Area. In the event that any of the current owners wish to close on the sale prior to the City's sale of the bonds, DMDC Properties Corporation has preliminarily agreed to close the acquisition, assuming all of the conditions of the purchase agreement are fulfilled. The City will purchase the property from DMDC Properties Corp. at a price sufficient to recover all costs as soon as the bonds are issued.

RECOMMENDATION—

Approval

BACKGROUND—

On May 19, 2003 by Roll Call 0-3-1217, the Council approved the Western Gateway Schematic Plan and directed the City Manager to move forward with preparation of the formal agreements necessary to implement a funding plan for the acquisition of the remaining properties and the implementation of the improvements. Although the formal agreements are not yet in place, it is appropriate at this time to move forward with the acquisition of the properties. It is important to begin the acquisitions so that the improvements can be installed in a timely manner that corresponds to the opening of the new Central Library and the Pappajohn Higher Education Center.

The Real Estate Division, Engineering Department will negotiate the purchase agreements. DMDC Properties Corp. has submitted a letter to the City Manager indicating their willingness to purchase the properties and to hold them until such time that the bonds are sold in the event that the current owners wish to close on the property sale prior to the sale of the bonds.