



Agenda Item:

36A

## COUNCIL COMMUNICATION City Manager's Office

### GENERAL INFORMATION

Agenda Date: 06/07/04

Communication

No.: 04-263

Agenda Item Type: Resolution

Roll Call

No.:

Submitted by: Larry Hulse, Community Development Director

### SUBJECT—

Approving selection of Hatch Development Group L.L.C. as developer for 711 16<sup>th</sup> Street and setting date of hearing on sale of property to Hatch Development L.L.C. and 11' of property to adjacent property owner, Judy Hill, of 721 16<sup>th</sup> Street.

### SYNOPSIS—

Selecting developer and setting the date of public hearing for sale of city-owned property in the Sherman Hill Neighborhood. The sale and development agreement between Hatch Development Group and the City will result in the construction of six owner-occupied row houses. The parcel was acquired by the city through purchase of tax certificates after the demolition of a public nuisance. A request for proposal for development of the parcel as six units of owner-occupied row houses was distributed last July.

### FISCAL IMPACT—

Approximately \$42,000 of Community Development Block Grant funds was expended to purchase tax certificates, complete a PUD preliminary development plan, and complete title work and survey on the property. These funds will be repaid through the sale of the property.

**RECOMMENDATION—**

Select Hatch Development Group, L.L.C to develop six owner-occupied row houses at 711 16<sup>th</sup> Street and set date for public hearing for sale of property.

**BACKGROUND—**

On July 14, 2003, by Roll Call No. 03-1611, the City Council authorized the Community Development Department to issue a Request for Proposals to solicit developers for 711 16<sup>th</sup> Street in the Sherman Hill Neighborhood. City staff had worked closely with a committee of neighborhood residents to develop an RFP for six to eight row house dwellings to be sold to owner-occupants. Prior to distribution, the RFP was presented to the Sherman Hill Neighborhood Association at a quarterly meeting.

Hatch Development Group L.L.C. submitted the sole proposal to the RFP. A committee composed of Sherman Hill Neighborhood residents and city staff reviewed the proposal on October 6, 2003 and determined that the Hatch proposal met all the requirements of the RFP and recommended that the property be sold to Hatch Development Group for the proposal as submitted. On October 15, 2003 the Historic Preservation Commission reviewed the proposal and unanimously supported the concept as presented.

In addition to design criteria, the RFP included criteria that awarded extra points to a developer if the row houses could be built so that 11' of Lot 17 could be sold to the adjacent property to the north. The adjacent property is the site of the historic Garver House, built by an early Mayor of Des Moines. The Garver House property at 721 16<sup>th</sup> Street was at one time part of the Celebrity Care Nursing Home complex. The owners of the nursing home requested a Certificate of Appropriateness to demolish the Garver House but the Historic District Commission and City Council denied that request. The nursing home owners sold the Garver House itself, in an extremely dilapidated condition, to the current property owner. They refused to sell any land for sideyard on the house's south side. The sale of the 11' to the Garver House property will restore the house to its original lot frontage and area. Both the selection committee and the Historic Preservation Commission were supportive of restoring the lot area for the Garver House.

The Culver Group LLC appraised the property for \$1.75 per square foot or approximately \$42,500 in July 2003. The property was offered and is being sold at its full-appraised value.

At its October 21, 2002 meeting the City Council approved the use of up to \$50,000 of CDBG dollars from the 2002 allocation to purchase tax certificates and satisfy all other obligations to obtain title to the property. The redevelopment of the property is key to continued revitalization of the Sherman Hill Neighborhood.

The Celebrity Care Nursing Home was a problem in the Sherman Hill Neighborhood for several years. The City declared the property a public nuisance on August 21, 2000, by Roll Call No. 00-3514. The Court entered into a consent decree on May 23, 2001 in which the defendant was found to be in default and was ordered to abate the public nuisance by renovation of the structure or by demolition. The owner took no action and the City Council by Roll Call No. 01-2473,

referred the structure to engineering for demolition. The building was torn down in September of 2001 at a cost of over \$54,000 funded by CDBG dollars.