

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

**CITY COUNCIL COMMUNICATION 96-225
MAY 28, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
MEREDITH OFFICE PROJECT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SCOTT STRICKER ECONOMIC DEVELOPMENT ADMINISTRATOR

SYNOPSIS —

On the May 28, 1996, Council agenda are two roll calls pertaining to the Meredith Office Project. The roll calls are as follows:

1. Approval of a real estate purchase agreement for Acquisition Parcel No. 7C/Riverpoint Capitol-Center Development Area Urban Renewal Project, between the City and Jared and Elaine Johnson. Acquisition Parcel No. 7C is the block bounded by Grand Avenue on the north, 15th Street on the east, Locust Street on the south, and vacated 16th Street on the west.
2. Approval of Special Warranty Deed for Disposition Parcel No. 7C/Riverpoint Capitol-Center Development Area for execution and delivery to Meredith Corporation.

Pursuant to the Development Agreement the City is obligated to purchase Acquisition Parcel No. 7C and convey Disposition Parcel No. 7C to Meredith by June 1, 1996. As provided for in the Agreement, the City in conjunction with Meredith has negotiated a purchase price with the current owners of parcel 7C, Jared and Elaine Johnson, in an amount of \$1,914,314. Also, a \$75,000 payment will be made to Crescent Chevrolet, Inc. for release of claims related to its leasehold interest.

The City will convey to Meredith all of the property purchased except for the east 14 feet of the block, which will be retained as right-of-way for future improvements to 15th Street. The cost to the City for this 14 feet of right-of-way is \$90,000. Meredith will reimburse the City for all other costs associated with the acquisition including the payment of the purchase price, payment for release of leasehold claims, engineering, environmental assessments, surveys, and appraisals. In addition, in the event Meredith constructs a second office building on parcel 7C, they must pay the City \$45,000 as additional compensation for conveyance of the alleys within the block.

FISCAL IMPACT —

The City is obligated to pay \$90,000 for the purchase of the east 14 feet of Acquisition Parcel No. 7C to be obtained as right-of-way for future improvements to 15th Street. The \$90,000 will be funded from tax increment funds that have been allocated for the Meredith Project. All other costs associated with this transaction will be reimbursed pursuant to the City's development agreement with Meredith.

RECOMMENDATION —

Approval of the roll calls is recommended.