

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

**CITY COUNCIL COMMUNICATION 96-456
OCTOBER 21, 1996 AGENDA**

SUBJECT:	TYPE:	SUBMITTED BY:
JRM REALTY, INC. PROPOSAL FOR 1601 OHIO STREET/CENTRAL PLACE URBAN RENEWAL AREA	◆ RESOLUTION ORDINANCE RECEIVE/FILE	SCOTT A. STRICKER ECONOMIC DEVELOPMENT ADMINISTRATOR

SYNOPSIS —

On the October 21, 1996, agenda are the following roll calls relating to Disposition Parcel No. 32/Central Place Urban Renewal Area located at 1601 Ohio St.:

- Request from JRM Realty, Inc. to rescind redevelopment proposal and return its good faith deposit.
- Resolution setting terms, conditions and process for sale of Disposition Parcel No. 32

FISCAL IMPACT —

The return of the developer's good faith deposit of \$9,070 does not use any City funds.

The revised offering procedures require the publication of a newspaper notice which is required any time this property is sold. The estimated cost is between \$150-\$200.

RECOMMENDATION —

Approval of the above-described agenda items.

BACKGROUND —*Redevelopment Proposal*

The Urban Renewal Board, at its September 3, 1996, meeting, received and recommended approval of a developer-initiated proposal by JRM Realty, Inc. (John Mandelbaum) to purchase Disposition Parcel No. 32. The proposal noted, as a contingency, that it reserved the right to withdraw its proposal prior to execution of the urban renewal contract if it did not have an executed tenant lease. This proposal was for the development of an approximate 7,200-sq.-ft., tilt-up, concrete office/distribution building at an estimated cost of about \$390,000.

On September 3, 1996, the City Council received the proposal and set October 15, 1996 as the date for the Urban Renewal Board to receive any competing proposals for the purchase of the property. No competing proposals were received.

On October 9, 1996, staff received a letter from the developer requesting withdrawal of the proposal due to its inability to get an executed tenant lease. The developer also requested release of its good faith deposit of \$9,070.

The Urban Renewal Board, at its October 15, 1996, meeting, recommended approval of the developer's request, noting that developer has proceeded at its expense to obtain the required site and building designs and securing project financing, while making a strong good faith effort to obtain a tenant.

Revised Offering Process

The second roll call revises and expedites the offering and Council acceptance procedures when a redevelopment proposal is received for this property. This method provides for Council authorization to publish a newspaper notice within the next week indicating the availability of Disposition Parcel No. 32 in Central Place and the terms and conditions associated with its sale and redevelopment.

The first date at which the City will receive proposals is November 15, 1996. If no proposals are received by that time, the property will be available on a continuous basis with receipt of the proposals by City staff. When a formal proposal is received that meets the urban renewal requirements after its review by staff and the Urban Renewal Board, the Council will then be requested to authorize publication of a second newspaper notice which provides the redeveloper's name and specifics on the proposal (on a no less than four days and no more than 20 days basis) before the public hearing on having the City enter into the urban renewal contract with the redeveloper. This process will decrease the time spent between the City receipt of the proposal and executing it by several weeks.

This process is appropriate for the sale of property in Central Place which has consistent minimum development requirements for almost all of its redevelopment parcels. Staff will explore implementing this procedure for other urban renewal areas where this may be appropriate.