

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-455

SYNOPSIS -

AGENDA:

OCTOBER 4, 1999

SUBJECT:

DMDC PROPERTY
TO THE CITY FOR
THE GATEWAY
WEST PROJECT

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

RICHARD CLARK
DEPUTY CITY
MANAGER

On the October 4, 1999, Council agenda is a resolution to authorize City staff to work with Des Moines Development Corporation (DMDC) to prepare the documents necessary for the transfer of title to the City. The City and DMDC have jointly participated in efforts to redevelop the downtown area known as the Gateway Project. DMDC has acquired a number of properties in the Gateway West area and is now prepared to convey title for seven properties to the City.

Also on the agenda is a roll call to set the date of public hearing for October 25, 1999, on an amendment to the Riverpoint Capitol Center Urban Renewal which authorizes the City to acquire properties located in the Gateway West project area (between 10th and 15th Streets from Locust Street to Grand Avenue).

FISCAL IMPACT -

The City will pay up to \$1,533,750 to DMDC for the conveyance of the seven properties. These funds are available from the proceeds of Tax Increment Financing (TIF) backed, General Obligation Bonds issued for this project. The amount is included in the budget for the project that was approved by the Gateway Steering Committee.

RECOMMENDATION -

- **Approval of the resolution to begin preparatory work to take title to various downtown properties.**
- **Approval of resolution to set date of hearing on Seventh Amendment to the Riverpoint Capitol Center Urban Renewal Area.**

BACKGROUND -

On April 19, 1999, the City Council adopted Roll Call No. 99-1190 which approved a Memorandum of Understanding (MOU) with DMDC. This MOU provides for contributions from DMDC in the amounts of \$5 million to the Gateway Project plus another \$1 million in the form of a loan. The MOU also provides for the transfer of properties to the City that have been acquired for the project by DMDC.

DMDC has expended approximately \$4 million for the Western Gateway Project and identified seven properties it considers the most appropriate to convey to the City. The properties are currently used as parking lots, sites where buildings were removed, or are sites where buildings are in the process of being removed. Other properties owned by DMDC were not considered at this time due to improvements on the properties or for budget purposes.

City staff has completed a preliminary review of the acquisition costs of the properties and determined the total cost of the seven properties that will be within the amount budgeted of \$1,533,750 for property transfer to the City. This budget amount is part of the Gateway Project Budget and was approved by the Gateway Steering Committee. DMDC will use the amount paid by the City for these properties to continue its acquisition efforts for the Western Gateway Project. The acquisition costs and expenses paid by DMDC for each property that are in excess of the amount paid to DMDC by the City will be considered to be a contribution credit to the \$4 million commitment by DMDC.

City staff will review the acquisition files of the subject properties acquired by DMDC to examine the legal, title, environmental, and related property acquisition issues. Based upon that review, the acquisition documents for the properties will be submitted to the City Council for its acceptance and approval at the October 25, 1999 meeting. The closing of each property transaction will then be accomplished, subject to final review by the Legal Department.

Urban Renewal Amendment

As part of this process, it is necessary to amend the Riverpoint Capitol Center Urban Renewal Plan to show the Gateway West Project Area-the property located between 10th and 15th

Streets from Locust Street to Grand Avenue-for acquisition.

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